

By Mr. McDERMOTT: Resolutions of Illinois Manufacturers' Association, urging that the corporation-tax law be amended so that corporations will be permitted to make returns as of the close of their fiscal year; to the Committee on Ways and Means.

Also, resolutions adopted by the Workmen's Sick and Death Benefit Fund of the United States of America, protesting against the methods pursued in the arrest of John McNamara and indorsing the resolution introduced by Mr. BERGER; to the Committee on Rules.

By Mr. O'SHAUNESSY: Resolution of Rhode Island Anti-tuberculosis Association, providing for the creation of a public health committee in the House of Representatives; to the Committee on Rules.

Also, resolution of the Local Council of Women of Rhode Island, favoring treaties of unlimited arbitration with Great Britain and other countries; to the Committee on Foreign Affairs.

By Mr. PALMER: Resolution of Washington Camp, No. 327, Patriotic Order Sons of America, urging enactment of illiteracy test; to the Committee on Immigration and Naturalization.

By Mr. PRAY: Petition of citizens of Eureka, Jardine, Denton, and Stanford, Mont., for reduction of duty on sugar; to the Committee on Ways and Means.

Also, petition of Anaconda Mill and Smeltermen's Union, No. 117, Western Federation of Miners, of Anaconda, Mont., protesting against Anglo-American arbitration treaty; to the Committee on Foreign Affairs.

By Mr. RANDELL of Texas: Petition of W. L. Barnes and other citizens of Lone Oak, Tex., favoring reducing the duty on raw and refined sugars; to the Committee on Ways and Means.

By Mr. ROBERTS of Massachusetts: Petition of the members of the First Parish in Hingham, Mass., favoring arbitration treaty now pending between the United States and England; to the Committee on Foreign Affairs.

Also, petition of New England Association of the Federal Immigration and Naturalization Service, favoring House bill 729, a bill for increasing the salaries and for the retirement of employees in the classified service; to the Committee on Reform in the Civil Service.

Also, resolutions of Massachusetts State Board of the Ancient Order of Hibernians in America, protesting against the adoption of the so-called peace treaty now pending; to the Committee on Foreign Affairs.

By Mr. ROBINSON: Petition of German-American Federation of Arkansas, protesting against conduct and action of immigration officials in excluding desirable immigrants from the United States; to the Committee on Immigration and Naturalization.

Also, petition of J. B. Simmons et al., of Pine Bluff, Ark., asking for reduction of tariff on sugar; to the Committee on Ways and Means.

By Mr. TALCOTT of New York: Petition of sundry citizens of Prospect, N. Y., asking for a reduction in the duty on sugars, both raw and refined; to the Committee on Ways and Means.

By Mr. UTTER: Petition of L. E. Edwards, of Pascoag, R. I., protesting against a tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. WILSON of New York: Petition of Local Union No. 381, United Brotherhood of Carpenters and Joiners of America, Brooklyn, N. Y., asking for an investigation of McNamara case at Los Angeles; to the Committee on Rules.

Also, petition of Cloak and Skirt Makers' Union No. 11, of Brooklyn, N. Y., asking for investigation of the McNamara case; to the Committee on Rules.

Also, resolutions of Cleveland Chamber of Commerce, Cleveland, Ohio, in favor of certain amendments to the corporation-tax law; to the Committee on the Judiciary.

Also, resolutions of the Chamber of Commerce of the State of New York, favoring proposed Canadian reciprocity agreement; to the Committee on Ways and Means.

SENATE.

THURSDAY, June 8, 1911.

The Senate met at 2 o'clock p. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. GALLINGER and by unanimous consent, the further reading was dispensed with and the Journal was approved.

PETITIONS AND MEMORIALS.

Mr. GALLINGER presented a memorial of Local Grange No. 312, Patrons of Husbandry, of Quincy, N. H., remonstrating

against the proposed reciprocal trade agreement between the United States and Canada, which was referred to the Committee on Finance.

He also presented the petition of Dr. Henry H. Seltzer, of Washington, D. C., praying for the passage of the so-called Johnston Sunday rest bill, which was ordered to lie on the table.

Mr. CULLOM presented a memorial of Local Division No. 1, Ancient Order of Hibernians, of Peoria, Ill., remonstrating against the ratification of the proposed treaty of arbitration between the United States and Great Britain, which was referred to the Committee on Foreign Relations.

Mr. MYERS presented a memorial of Mill and Smeltermen's Union No. 117, of Anaconda, Mont., remonstrating against the ratification of the proposed treaty of arbitration between the United States and Great Britain, which was referred to the Committee on Foreign Relations.

Mr. LODGE presented a petition of the Chamber of Commerce of Boston, Mass., praying for the passage of the proposed reciprocal trade agreement between the United States and Canada, which was referred to the Committee on Finance.

Mr. CURTIS presented a memorial of David Sharp Master Grange, No. 1432, Patrons of Husbandry, of Arkansas City, Kans., remonstrating against the proposed reciprocal trade agreement between the United States and Canada, which was referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. DU PONT, from the Committee on Military Affairs, to which was referred the bill (S. 2601) for the relief of Douglas B. Thompson, asked to be discharged from its further consideration and that it be referred to the Committee on Claims, which was agreed to.

Mr. WARREN, from the Committee on Military Affairs, to which was referred the bill (S. 315) fixing the rank of military attachés, reported it with an amendment and submitted a report (No. 59) thereon.

Mr. MARTIN of Virginia, from the Committee on Commerce, to which was referred the bill (S. 1524) to authorize the construction and maintenance of a dam or dams across the Kansas River in western Shawnee County or in Wabaunsee County, in the State of Kansas, reported it with an amendment and submitted a report (No. 60) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GALLINGER:

A bill (S. 2674) to regulate public utilities in the District of Columbia, and to confer upon the Commissioners of the District of Columbia the duties and powers of a public utilities commission;

A bill (S. 2675) to incorporate The Rockefeller Foundation (with accompanying papers); and

(By request.) A bill (S. 2676) to provide for a hospital for the treatment of inebriates, and for other purposes; to the Committee on the District of Columbia.

By Mr. CULLOM:

A bill (S. 2677) to establish the military record of M. M. Pool (with accompanying paper); to the Committee on Military Affairs.

By Mr. JONES:

A bill (S. 2678) extending the provisions of the bounty-land law of March 3, 1855, to persons who participated in the Indian wars of the United States prior to April 12, 1861; to the Committee on Public Lands.

By Mr. DILLINGHAM:

A bill (S. 2679) granting an increase of pension to Frederick M. Miller (with accompanying papers); to the Committee on Pensions.

REPORT OF IMMIGRATION COMMISSION.

Mr. DILLINGHAM. Mr. President, I ask leave to have reprinted, with corrections and illustrations, Senate Document No. 208 of the Sixty-first Congress, second session, being a report of the Immigration Commission on changes in bodily form of descendants of immigrants. The document has been once printed, and it has been very much called for. It was included among the reports of the commission made when the commission went out of existence the first day of the last session, but by some error it was not reported among the list of reports that should be printed. For that reason I ask for a reprint.

There being no objection, the order was reduced to writing and agreed to, as follows:

Ordered, That Senate document No. 208, Sixty-first Congress, second session, being report of the Immigration Commission on changes in bodily form of descendants of immigrants, be reprinted with corrections and illustrations.

PUBLIC BUILDINGS IN THE CITY OF WASHINGTON.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a former day, which will be stated.

The SECRETARY. Senate resolution No. 62, by Mr. HEYBURN, directing the Secretary of the Treasury to transmit information relative to the title, and so forth, of certain lands, for the purchase of which appropriation was made May 30, 1908.

Mr. HEYBURN. It has been read.

The VICE PRESIDENT. The resolution will be referred to the Committee on Public Buildings and Grounds.

Mr. HEYBURN. No; I ask that it be given present consideration.

The VICE PRESIDENT. Is there objection?

Mr. CHAMBERLAIN. I should like to hear the resolution read.

The VICE PRESIDENT. The resolution will be read.

The Secretary read the resolution submitted yesterday by Mr. HEYBURN, as follows:

Resolved, That the Secretary of the Treasury is hereby directed to inform the Senate what progress has been made toward the acquirement of title by the United States to the whole of squares numbered 226, 227, 228, 229, and 230, for the purchase of which appropriation was made under act of Congress approved May 30, 1908, and if title has passed to the Federal Government, when such title passed, the consideration to be paid therefor, in detail, and whether or not the former owners or lessees now occupying said buildings are paying any rent to the United States for the use of said buildings, and the amount thereof; and also whether or not the proposed plans for the buildings to be erected for the use of the United States Departments of State, Justice, and Commerce and Labor contemplate the occupancy of any portion of the land south of B Street commonly known as the Mall.

Mr. HEYBURN. The resolution merely calls for information in regard to the matter.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. DAVIS. I object.

The VICE PRESIDENT. Objection is made to present consideration.

Mr. HEYBURN. It went over until to-day. I take it that it can not be sent over by an objection.

The VICE PRESIDENT. But it must be referred to some committee. It is not reported from any committee.

Mr. HEYBURN. Then I move to proceed to the consideration of the resolution, notwithstanding the objection.

The VICE PRESIDENT. The Senator from Idaho moves that the Senate proceed to the consideration of the resolution, the objection of the Senator from Arkansas to the contrary notwithstanding. The question is on the motion of the Senator from Idaho.

Mr. DAVIS. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. DAVIS. I raise the question of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bacon	Cullom	La Follette	Root
Bailey	Cummins	Lippitt	Simmons
Bankhead	Curtis	Lodge	Smith, Md.
Borah	Davis	McCumber	Smith, S. C.
Bourne	Dillingham	McLean	Smoot
Brandegee	Dixon	Martin, Va.	Stephenson
Briggs	du Pont	Martine, N. J.	Stone
Bristow	Fletcher	Myers	Sutherland
Bryan	Gallinger	Nelson	Taylor
Burnham	Gamble	Oliver	Terrell
Burton	Gore	Overman	Thornton
Chamberlain	Gronna	Page	Warren
Chilton	Heyburn	Penrose	Williams
Clark, Wyo.	Johnston, Ala.	Perkins	Works
Clarke, Ark.	Jones	Polindexter	
Crawford	Kenyon	Pomerene	
Culberson	Kern	Reed	

The VICE PRESIDENT. Sixty-five Senators have answered to the roll call. A quorum of the Senate is present.

Mr. DAVIS. Mr. President, I renew my request for the yeas and nays on the adoption of the resolution.

The VICE PRESIDENT. The resolution comes up without a motion. The Chair was in error in stating otherwise. He did not notice at the time that it is simply a resolution of inquiry. The question is on agreeing to the resolution, and the Senator from Arkansas asks for the yeas and nays.

The yeas and nays were not ordered.

The resolution was agreed to.

ELECTION OF SENATORS BY DIRECT VOTE.

The VICE PRESIDENT. The morning business is closed, and the calendar is in order under Rule VIII.

Mr. BORAH. There are Senators who desire to make some remarks upon the unfinished business, and I ask unanimous consent that House joint resolution 39 be laid before the Senate.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (H. J. Res. 39) proposing an amendment to the Constitution providing that Senators shall be elected by the people of the several States.

Mr. WORKS. Mr. President, it is not my purpose to discuss the main question involved here, namely, the election of Senators by direct vote of the people. The record of this question was made up, and well made up, at the last session of Congress. I am perfectly content to abide by what was then said for and against the measure; but I do desire to state my own position and my reasons therefor, and to consider in a very brief way the controversy that has arisen over the amendment reported by the Judiciary Committee and the substitute offered by the Senator from Kansas [Mr. BRISTOW].

I have come to the conclusion that, in the interest of good government, the right to elect United States Senators should be vested in the people, as provided by both of the amendments proposed. I have reached this conclusion slowly and with great reluctance. I am opposed to any change in the fundamental law under which this country has grown and prospered for more than a century, framed, as it was, by men of distinguished ability, actuated by the most exalted patriotism, except upon the strongest necessity. But conditions have changed since the Constitution was originally adopted. Interests and influences have entered into the election of Senators as now provided for that have corrupted legislative bodies, perverted the objects and purposes of the framers of the constitution, and brought the Senate itself into reproach by corrupt practices and bribery in such elections. The existence of these influences and their potency in controlling legislative elections of United States Senators can not be denied. If allowed to continue, they must inevitably destroy our representative form of government. It is this fact, and this alone, that has brought me to the conclusion that the election of Senators can no longer be safely intrusted to legislative representatives and that the only remedy for this evil that is threatening the integrity of our free institutions is to vest that power in the people to be exercised directly at the polls.

Having reached this conclusion, I regret exceedingly that any controversy should have arisen here between the friends of the measure as to the form of the amendment to be adopted to effect that purpose. I regret it the more because this difference presents a sectional controversy that I had hoped might never again find its way into this Chamber.

The question at issue is a very simple one. It is this: Shall the elections to be held for the election of Senators be governed and controlled by the law-making power of the several States or of the Federal Government? To me it is a matter of very little consequence. By other Senators it is taken seriously, and therefore must necessarily be viewed from that standpoint. I must say, for myself, however, that there is no good reason to suppose that either a State or the Nation would neglect or abuse the power, if given to either the one or the other. But, treating it as a matter of serious consequence, let us consider briefly just what effect must be given to each of the propositions presented by the two proposed amendments.

The Constitution, as it now stands, contains the following provisions, material to be considered, all contained in Article I:

Sec. 2. The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Sec. 3. The Senate of the United States shall be composed of two Senators from each State, chosen by the legislature thereof, for six years.

Sec. 4. The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

Sec. 5. Each House shall be the judge of the elections, returns, and qualifications of its own Members.

So, as now provided by the Constitution, six things may be taken as established:

1. Members of the House of Representatives are elected by the people.

2. Their qualifications are fixed by the Constitution itself.

3. Senators are chosen by the legislatures of the several States.

4. The times, places, and manner of holding elections for both Senators and Representatives shall be prescribed in each State by the legislature thereof.

5. Congress may by law make or alter such regulations except as to the places of choosing Senators.

6. Each House is made the judge of the elections, returns, and qualifications of its own Members.

What effect will the amendments proposed and now under consideration have upon these provisions of the Constitution?

The proposed committee amendment contains this clause:

The terms and manner of holding elections for Senators shall be prescribed in each State by the legislature thereof.

Undoubtedly this provision, if made a part of the Constitution, would vest the power of legislating, with respect to the time, place, and manner of holding elections in the several States and remove from the Constitution any express grant of power to Congress to make other regulations or to change the regulations made by State legislatures. It seems to be assumed that by this amendment the National Government will be deprived of all power to control elections for United States Senators, and that the power of the States will, if this amendment is adopted, be unlimited. But certainly this can not be true, Mr. President. No State legislature can, under the authority proposed to be given by this amendment, deprive any citizen of the rights guaranteed to him by the Constitution, or enact or enforce any legislation that would prevent a fair and full expression of the public will at the polls, because any such attempt to prevent a fair election or to deprive any citizen or class of citizens of the right of suffrage would not be to prescribe the times, places, and manner of holding elections within the meaning of the Constitution, but a plain effort to prevent such election, and would therefore be in violation of the Constitution and void. This proposed amendment leaves in full force and effect every provision in the Constitution, as it now is, intended to protect the people of this country in the right of suffrage. Any legislation purporting to prescribe the time, place, and manner of holding elections must conform to these provisions. Any attempt to deny or abridge the right of suffrage of any citizen under the guise of regulation of elections would be a palpable violation of the Constitution and utterly void. The only effect of this proposed change in the Constitution would be to deprive Congress of the power to prescribe regulations for holding the elections by direct legislation.

The proposed amendment confers no power on the States to provide for or in any way to limit or control the right of suffrage or to determine the qualifications of voters. It is limited entirely to the regulation of the holding of elections. Therefore any attempt to use this power given as a means of controlling or limiting the right of suffrage, except as to the time, place, and manner of holding the election and casting, receiving, and counting the votes of electors legally qualified to vote, would not be within such power, but in violation of it.

Any elector, deprived of his right of suffrage under the Constitution by State legislation purporting to prescribe the time, place, and manner of holding elections, would have a complete and ample remedy in the courts to declare the law unconstitutional, thus destroying its effects, not only as to him but as to all others similarly affected by its provisions. Not only so, but any citizen directly interested in the result of any election held under the law, as a candidate or otherwise, could resort to the courts for like relief.

In addition to this, Mr. President, the Senate is still the sole judge of the elections, returns, and qualifications of its members and possessed of ample and plenary power to unseat any person elected under any law of the States which has authorized an election in violation of the Constitution of the United States or the rights of electors entitled to vote at such an election. It may go further than that. It may deny a seat in this Chamber to any person whose election has been brought about by any unlawful or corrupt means, even under a valid statute.

So, Mr. President, the power proposed to be vested in the legislatures of the States by the amendment is not an unlimited power. It must be exercised in conformity to the Constitution of the United States and with due regard to the right of suffrage of every elector of the State, guaranteed to him by the Constitution. It is not a power to fix the qualifications of voters, but to provide proper and constitutional regulations for the holding of elections by the electors qualified under the Constitution to vote for United States Senators. That right can not be taken away, limited, or abridged by virtue of any power proposed to be given by this amendment. I maintain that the claim, so strenuously urged here, that the vesting of this power in the States will imperil the National Government has no foundation when the effect of the proposed amendment is rightly understood and considered. The whole force of this objection rests upon the wholly unfounded claim that the power attempted to be vested in the States will enable them to deny the right of suffrage to some of its citizens or limit or abridge that right. But, as I have said, no such power is given or could be lawfully or constitutionally exercised if this proposed amendment should be adopted.

Turning now to the amendment proposed by the Senator from Kansas as a substitute for the one I have been considering: It provides, in the simplest way possible, for the election of

Senators by the people instead of the legislature, and for the filling of vacancies in the same way. It leaves in the Constitution intact the provisions of section 4, providing that the times, places, and manner of holding elections for both Senators and Representatives shall be prescribed in each State by the legislature thereof, but subject to the power reserved to Congress to make or alter such regulations except as to the place of choosing Senators.

This brings an outcry and protest from Senators who claim that the power should be vested in the States without any right of control or regulation by Congress. I must confess, Mr. President, that I can not appreciate the position of Senators who make this claim. I do not know how it can be seriously made. Do Senators want this supposed unlimited power vested in their States, so that they may regulate elections in a way that might call for the interference of Congress? Certainly they expect their States to keep within the Constitution, and that they will protect every citizen of every race, color, and station in life in his right of suffrage. If not, there is every reason to maintain this supervisory power in the Congress of the National Government. I have assumed that every State in the Union would, if intrusted with this power to regulate elections accept it as a sacred trust, and that no law would be enacted under it in violation of the Constitution, or of the right of suffrage of any citizen, high or low, black or white. I would not willingly assume anything else. Assuming this to be so, it is idle to say that the rights of any State will be endangered by reserving to Congress the power to change the regulations made by the State, and to make new ones of its own.

The question raised, as between these two proposed amendments is, in my judgment, given undue importance. It will undoubtedly be used—I have no doubt it is being used now on this floor—as a means of defeating any amendment of the Constitution that will give to the people the right to elect their Senators.

Mr. President, entertaining these views, I shall vote for either of these amendments that may be agreed upon. What I want is an amendment giving the people the right to elect United States Senators by direct vote. I am anxious to know which one of these proposed amendments is best calculated to bring about this final result. If I knew now, I would support that amendment without hesitation. I have been waiting patiently to be informed on this subject. When the vote comes, I shall be controlled by my best judgment, founded upon what I may then believe to be the best means of insuring the passage and final adoption of an amendment that will vest the right of election in the people.

At this time it seems to me that all friends of the measure should unite on the amendment that has already passed the House. I am willing myself to give the southern people the benefit of the doubt as to which amendment would best preserve the rights of the people, and thus secure to the States the right to provide for the manner of holding the elections. In my opinion, no harm can come from such a provision, and its adoption will be more likely to secure the final adoption and approval of the amendment.

Mr. BORAH. Mr. President, I have no information that any other Senator desires to discuss the joint resolution at this time; and if there is no one who desires to do so, I shall give way, so that the calendar may be taken up.

The VICE PRESIDENT. The Senator from Idaho asks unanimous consent that the unfinished business be temporarily laid aside. Is there objection? The Chair hears none. The calendar is in order under Rule VIII. The Secretary will state the first business on the calendar.

CORRECTION OF ERRORS IN APPROPRIATION ACTS.

The joint resolution (H. J. Res. 1) to correct errors in the enrollment of certain appropriation acts approved March 4, 1911, was announced as first in order, and the Senate, as in Committee of the Whole, resumed its consideration.

Mr. HEYBURN. Mr. President, what is the present legislative status of the joint resolution?

The VICE PRESIDENT. It is before the Senate as in Committee of the Whole, and open to amendment.

Mr. HEYBURN. That is what I supposed. Mr. President, I regret exceedingly that such a measure as this should be pressed upon the attention of the Senate. It is a violation of every rule of law and of legislative procedure, and I am amazed that any lawyer should favor a proposition that would permit the Sixty-second Congress to rewrite the Journal of the Sixty-first Congress or to amend it under any pretense whatever. I am astonished that there has not been such a protest from the lawyers, at least, of this body, as would make such a proposition impossible.

On its face—and I call the attention of the Senate to it—it is—

Joint resolution to correct errors in the enrollment of certain appropriation acts approved March 4, 1911.

On March 4, 1911, this Congress did not exist, and the Congress that did exist at that time passed out of existence on that day. If, under the pretense of correcting a record because certain legislation has proven inconvenient to some one, a joint resolution of this kind can be adopted, there will be no stability to any law.

Upon what grounds is the passage of this joint resolution asked? Upon the grounds that some enrolling clerk or some clerk of a conference committee did not correctly report the will of the conference or the will of Congress. Congress, in the respective Houses, legislated; it went into a conference committee upon the differences between the two Houses; it was there a considerable length of time; and the conference committee reported it to this body and to the other body. The report was in writing. Upon that action each House acted. When it came in on the floor, I made inquiry of the chairman of the committee of conference representing this body whether certain items were in that bill. I made the inquiry for the purpose of ascertaining whether or not I had grounds to insist upon a further conference. I was assured that the item was there. I inspected the bill, and I found it there.

Mr. WARREN. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Wyoming?

Mr. HEYBURN. Yes; I yield.

Mr. WARREN. The record does not show that.

Mr. HEYBURN. No.

Mr. WARREN. The bill does not show that.

Mr. HEYBURN. No.

Mr. WARREN. The record shows that the amendments which are proposed to be eliminated were, as a matter of fact, eliminated by the committee of conference and were so reported in the conference report, and that the Senate and the House voted upon and accepted that report.

Mr. HEYBURN. The record that came to this Senate for action disclosed the fact that it contained the item appropriating money for the University of the State of Idaho.

Mr. WARREN. To what report does the Senator refer?

Mr. HEYBURN. I refer to the report that was incorporated into the enrolled bill.

Mr. WARREN. There is no such report in the record, I think the Senator will find.

Mr. HEYBURN. The bill is in the record, and the bill went or is presumed to have gone, under the rules of the Senate, to that committee, for the purpose of seeing to it that it correctly represented the conclusion of the conference; and the provision is in the bill that was signed by the President of this body and by the Speaker of the House. It is there; it is in the bill that was signed by the President of the United States; and it is on the statute books of the Sixty-first Congress as a law; and now in the Sixty-second Congress we are met with the proposition that upon the assertion of some one that it was an inadvertence or a mistake we should correct the record.

Mr. WARREN. If the Senator from Idaho will permit me, it is true that the bill was signed, and so forth, but it is also true that the record shows the contrary of what the Senator contends for every step of the way.

Mr. HEYBURN. What record?

Mr. WARREN. The record of Congress; the record of this Senate and of the House of Representatives.

Mr. HEYBURN. I should like to be referred to the record that shows to the contrary.

Mr. WARREN. I will find it for the Senator. I had assumed that he had examined it.

Mr. HEYBURN. I have.

Mr. WARREN. The bill itself, the original copy, shows that these amendments were disagreed to; the bill was so marked, and it was so reported and so voted upon by the Senate and House and the CONGRESSIONAL RECORD plainly discloses the fact.

Mr. HEYBURN. I must differ with the Senator from Wyoming. We can not impeach—

Mr. WARREN. I presume the Senator is willing to admit that my assertion is as good as his until he can change it by the record. I will be prepared to submit the record to substantiate what I have stated.

Mr. HEYBURN. I am speaking of the record, not of some record that has been dug up for the purpose of laying a foundation for doing this unusual and unprecedented thing. The record of the action of this body is in such form and manner that it can not be doubted. The record of this body is in that bill as it was enrolled and as it was signed. That is the record.

Now, fleeting memoranda or the memory of men are to be set up against that under or in support—

Mr. WARREN. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Wyoming?

Mr. HEYBURN. Yes.

Mr. WARREN. I hope the Senator's case is not so bad that he will be unfair about it. The records of Congress are hardly matters that can be attributed to any particular individual or a committee.

Mr. HEYBURN. I think the Senator from Wyoming will be much safer if he keeps the personal question out of this discussion.

Mr. WARREN. I am making no reflections—

Mr. HEYBURN. I was not reflecting upon the Senator in anything he has done or said or omitted to do.

Mr. WARREN. I am talking about the record.

Mr. HEYBURN. I am talking of a record which is the only record of the proceedings of this body. The only record that we can inquire into is the official record of the enactment of the law. How long would the Senator stand before a court pleading that notwithstanding the statute had been published as the law of the land, by reason of the misconduct or inadvertence or incapacity of some clerk, the law was not really enacted?

If we can do anything here, we must do it in the nature of a judicial consideration of this question. Legislatively we have no such power. We may usurp it; men may just simply drive this thing through; but if they do, it ought to shake the confidence of the people of the country in the stability of their laws; and it would. You would have to wait for some years until some Senators had passed away before you would know whether or not a law was going to remain a law. That would be the only position—

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from New Hampshire?

Mr. HEYBURN. I yield.

Mr. GALLINGER. I rise simply to suggest that the joint resolution is being considered under Rule VIII, the limitation being that speeches shall be confined to five minutes. I have no objection to some Senator moving to take it up, but I think it is wise for us to adhere to the rule. There are other bills on the calendar which I should like to have considered, if possible, under that rule.

The VICE PRESIDENT. The rule being invoked, of course—

Mr. HEYBURN. I ask the indulgence of the Chair and the consent of the Senate simply to say that had I supposed the rule would be invoked, I would have objected to the consideration of the joint resolution. Now, I will object to its consideration because—

The VICE PRESIDENT. The bill goes over under the objection of the Senator from Idaho.

Mr. WARREN. Before leaving the matter I desire to say that I shall at an early date move to take it up. Of course, I have no personal interest in it. It is a joint resolution that came from the House, as stated, to correct what seems to be error. It is the law to-day, and if the Senate desires it to stand it can easily be settled beyond cavil by allowing a vote to be taken. So, in deference to custom and to the House, I shall move to take it up and consider it at the earliest opportunity.

The VICE PRESIDENT. The Secretary will report the next bill on the calendar.

BILLS PASSED OVER.

The bill (S. 20) directing the Secretary of War to convey the outstanding legal title of the United States to sublots Nos. 31, 32, and 33 of original lot No. 3, square No. 80, in the city of Washington, D. C., was announced as next in order.

Mr. HEYBURN. I ask that the bill go over.

The VICE PRESIDENT. The bill will go over.

The bill (S. 23) to authorize the extension of Underwood Street NW. was announced as next in order.

Mr. GALLINGER. Let the bill go over.

The VICE PRESIDENT. The bill will go over on the objection of the Senator from New Hampshire.

The bill (S. 237) for the proper observance of Sunday as a day of rest in the District of Columbia was announced as next in order.

Mr. DIXON. Let it go over.

The VICE PRESIDENT. The bill goes over.

The bill (S. 291) providing for the retirement of petty officers and enlisted men of the United States Navy or Marine Corps and for the efficiency of the enlisted personnel was announced as next in order.

Mr. WARREN. I ask that the bill go over.

The VICE PRESIDENT. The bill will go over.

JOSEPH A. O'CONNOR.

The bill (S. 1237) for the promotion of Joseph A. O'Connor, carpenter in the United States Navy, to the rank of chief carpenter and place him on the retired list, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Naval Affairs with an amendment to strike out all after the enacting clause and insert:

That the President be, and he is hereby, authorized, by and with the advice and consent of the Senate, to promote Carpenter Joseph A. O'Connor, United States Navy, retired, to the grade of chief carpenter on the retired list.

The VICE PRESIDENT. The amendment was agreed to on a preceding day.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the promotion of Carpenter Joseph A. O'Connor, United States Navy, retired, to the rank of chief carpenter on the retired list."

ENGINEER DETACHMENT AT MILITARY ACADEMY.

The bill (S. 116) to maintain at the United States Military Academy an engineer detachment was considered by the Senate as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

HEALTH, ACCIDENT, AND LIFE INSURANCE COMPANIES.

The bill (S. 2495) to define and classify health, accident, and death benefit companies and associations operating in the District of Columbia, and to amend section 653 of the Code of Law for the District of Columbia, was considered as in Committee of the Whole.

The bill had been reported from the Committee on the District of Columbia with amendments, on page 2, line 25, after the word "aforesaid," to strike out "in which case the death benefit may be \$1,000 and the weekly indemnity \$25, and on page 3, line 14, after the word "preceding," to insert "and such other information as said superintendent of insurance may require," so as to read:

No such health, accident, and life insurance company or association, now or hereafter transacting the business of health, accident, and life insurance, or either or all said kinds of insurance, in the District of Columbia shall issue policies or certificates providing, either singly or in aggregate, a greater accident or death benefit than \$500, or a greater weekly indemnity than \$20, on any one person unless such company or association have in assets or in capital stock fully paid up in cash, or in both together, not less than \$100,000 invested and approved as aforesaid. Every such company or association shall pay to the collector of taxes for the District of Columbia a sum of money, as tax, equal to 1 per cent of all moneys received from members of policy or certificate holders within the District of Columbia, said tax to be paid on or before the 1st day of March of each year on the amount of such income for the year ending December 31 next preceding; and shall also file annually with said superintendent of insurance, on or before the 1st day of March of each year, a sworn statement, on blanks furnished by said superintendent of insurance, showing its true financial condition, income, disbursements, assets, and liabilities on the 31st day of December next preceding, and such other information as said superintendent of insurance may require.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PERCY HARRISON MOORE.

The bill (S. 1704) for the relief of Percy Harrison Moore was considered as in Committee of the Whole.

The bill had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and insert:

That lot No. 53, in Ann S. Parker's subdivision of lots in square No. 140, of the city of Washington, D. C., be, and is hereby, relieved and exempted from the operation of an act entitled "An act to restrict the ownership of real estate in the Territories to American citizens," approved March 3, 1887, and that all forfeitures incurred by force of said act by reason of the alienage of Isabella Wilke be and are hereby remitted.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill relieving and exempting lot No. 53 in Ann S. Parker's subdivision of lots in square No. 140 of the city of Washington, D. C., from the operation of an act entitled 'An act to restrict the ownership of real estate in the Territories to American citizens,' approved March 3, 1887."

ANNUAL STATEMENTS OF INSURANCE COMPANIES.

The bill (S. 1785) to amend section 647, chapter 18, Code of Law for the District of Columbia, relating to annual statements of insurance companies, was considered as in Committee of the Whole.

The bill had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 12, before the word "newspaper," to insert the word "daily," so as to read "daily newspaper."

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NEW HIGHWAY PLAN.

The bill (S. 2048) to authorize a new highway plan for that portion of the District of Columbia lying between Van Buren Street on the north, Georgia Avenue on the east, Nicholson Street on the south, and Rock Creek Park on the west was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF GRANT STREET.

The bill (S. 2538) to authorize the extension of Grant Street NE. and Deane Avenue NE., in the District of Columbia, from Minnesota Avenue to Fifty-eighth Street, was considered by the Senate as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

REGULATION OF LOAN BUSINESS.

The bill (S. 25) to regulate the business of loaning money on security of any kind by persons, firms, and corporations other than national banks, licensed bankers, trust companies, savings banks, building and loan associations, pawnbrokers, and real-estate brokers in the District of Columbia, was announced as the next business in order.

Mr. POMERENE. I should like to have the bill go over for the purpose of offering an amendment.

The VICE PRESIDENT. Does the Senator from Ohio wish the bill to go over or to offer the amendment now?

Mr. POMERENE. The amendment I propose to offer I can perhaps get in a little better form later.

The VICE PRESIDENT. The bill goes over on the request of the Senator from Ohio.

MINOR BERRY.

The bill (S. 70) to remove the charge of desertion standing against the military record of Minor Berry was considered by the Senate as in Committee of the Whole.

The bill had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and insert:

That in the administration of the pension laws and the laws governing the National Home for Disabled Volunteer Soldiers, or any branch thereof, Minor Berry shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of the Fifty-seventh Company, Second Battalion, Veteran Reserve Corps, on the 2d day of November, 1864: *Provided*, That no pension shall accrue prior to the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Minor Berry."

HIGH SCHOOLS IN THE DISTRICT.

The bill (S. 816) to provide for plans and specifications for two high schools in the District of Columbia was considered by the Senate as in Committee of the Whole. It authorizes the Commissioners of the District to use so much as may be necessary of any unexpended balances remaining in the appropriations for the purchase of a site for a new Central High School, and for the purchase of a site for a new M Street High School, contained in the District appropriation act for the fiscal year 1912, approved March 2, 1911, for the employment of architectural services in the preparation of plans and specifications for such high schools, and for such other personal services and expenses in connection therewith as may be necessary.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

WRITS OF ERROR IN FEDERAL COURTS.

The bill (S. 2509) to amend section 1004 of the Revised Statutes of the United States was considered as in Committee of the Whole. It proposes to amend the section so as to read as follows:

SEC. 1004. Writs of error returnable to the Supreme Court or a circuit court of appeals may be issued as well by the clerks of the district courts, under the seal thereof, as by the clerk of the Supreme Court or of a circuit court of appeals. When so issued they shall be as nearly as each case may admit agreeable to the form of a writ of error issued by the clerk of the Supreme Court or the clerk of a circuit court of appeals.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ELECTIONS FOR SENATORS.

The bill (S. 123) to alter the regulations respecting the manner of holding elections for Senators was announced as next in order.

Mr. HEYBURN. I ask that the bill may go over.

The VICE PRESIDENT. It will go over.

THE POSTAL SYSTEM.

The resolution (S. Res. 56), reported by Mr. BRIGGS from the Committee to Audit and Control the Contingent Expenses of the Senate, directing the Committee on Post Offices and Post Roads to inquire into and report to the Senate what changes are necessary or desirable in the postal system of the United States, etc., was announced as the next business on the calendar.

Mr. GALLINGER. I ask that the resolution may go over, as I want to look into the matter somewhat.

The VICE PRESIDENT. The resolution will go over.

RANK OF MILITARY ATTACHÉS.

Mr. GALLINGER. Does that complete the calendar?

The VICE PRESIDENT. There is one bill on the calendar, Senate bill 315, which was reported this morning by the Senator from Wyoming [Mr. WARREN] from the Committee on Military Affairs.

The bill (S. 315) fixing the rank of military attachés was considered as in Committee of the Whole.

The bill was reported from the Committee on Military Affairs with an amendment, to add at the end the following:

Or to reduce the rank of such officers while serving as herein provided.

So as to make the bill read:

Be it enacted, etc., That hereafter military attachés while serving on duty at embassies abroad shall have the rank of colonel, and while serving on duty at legations abroad shall have the rank of lieutenant colonel: *Provided,* That all officers serving as military attachés shall continue to receive the same pay and allowances which they receive under existing law, and nothing in this act shall be construed to increase such pay or allowances or to reduce the rank of such officers while serving as herein provided.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADJOURNMENT TO MONDAY.

Mr. GALLINGER. Mr. President, as the newspapers will doubtless announce this evening, the Committee on Finance agreed to report the so-called reciprocity agreement out of committee on Tuesday next. I have made diligent inquiry on both sides of the Chamber whether any Senator desires to address the Senate to-morrow or the next day, and I do not find any Senator who wishes to do so. There is nothing on the calendar. In addition to the necessary time consumed in preparing the report, and, I think, some minority views on the reciprocity agreement, other important committees are to have meetings to-morrow and on Saturday. In view of that fact, I move that when the Senate adjourns to-day it be to meet on Monday next at 12 o'clock.

The motion was agreed to.

EXECUTIVE SESSION.

Mr. GALLINGER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 11 minutes spent in executive session the doors were reopened and (at 3 o'clock and 15 minutes p. m.) the Senate adjourned until Monday, June 12, 1911, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate June 8, 1911.

PROMOTIONS IN THE NAVY.

Commander William B. Fletcher to be a captain in the Navy from the 19th day of May, 1911, to fill a vacancy.

Lieut. Clark H. Woodward to be a lieutenant commander in the Navy from the 4th day of March, 1911, to fill a vacancy.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 13th day of February, 1911, upon the completion of three years' service as ensigns:

Ray S. McDonald,
Carroll S. Graves,
Charles A. Woodruff,
Lesley B. Anderson,
Hollis M. Cooley,
Edward D. Washburn, jr., and
Robert V. Lowe.

Gunner Ulysses G. Chipman to be a chief gunner in the Navy from the 25th day of May, 1910, upon the completion of six years' service as a gunner.

Gunner Frederick T. Montgomery to be a chief gunner in the Navy from the 4th day of February, 1911, upon the completion of six years' service as a gunner.

POSTMASTERS.

ARKANSAS.

Mrs. C. C. Cates to be postmaster at Walnut Ridge, Ark., in place of Samuel T. Benningfield, resigned.

OHIO.

Alva D. Alderman to be postmaster at Marietta, Ohio, in place of Manning M. Rose. Incumbent's commission expired May 7, 1910.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 8, 1911.

CONSUL.

Frederick Simpich to be consul at Ensenada, Mexico.

PROMOTIONS IN THE NAVY.

Capt. Reginald F. Nicholson to be a rear admiral.

Lieut. Commander Jehu V. Chase to be a commander.

Passed Asst. Paymaster Edwards S. Stalnaker to be a paymaster.

Lieut. Commander Claude B. Price to be a commander.

Lieut. (Junior Grade) John P. Miller to be a lieutenant.

Lieut. (Junior Grade) William C. Barker, jr., to be a lieutenant.

Ensign John F. Connor to be a lieutenant (junior grade).

Arthur Middleton to be an assistant paymaster.

The following-named ensigns to be lieutenants (junior grade):

Andrew S. Hickey,
Herbert F. Emerson, and
Aubrey W. Fitch.

The following-named machinists to be chief machinists:

Thomas W. Smith, and
Arthur H. Hawley.

POSTMASTERS.

ARKANSAS.

Mrs. C. C. Cates, Walnut Ridge.

COLORADO.

Jessie E. Field, Hotchkiss.

Daniel C. Moore, Fort Lupton.

IOWA.

John O. Hatch, Swea City.

MINNESOTA.

Nels L. Johnson, Buhl.

Rasmus L. Mork, Bricelyn.

MISSOURI.

Homer Beaty, Drexel.

NEW JERSEY.

Frank Meisel, Springfield.

James F. Sherman, Frenchtown.

OHIO.

Charles R. Brent, McConnelsville.

Henry Chambers, Lewisburg.

George W. Nickels, Gallion.

SOUTH DAKOTA.

Willard C. Huyck, Vermillion.

WISCONSIN.

Ole Erickson, Grantsburg.

WITHDRAWAL.

Executive nomination withdrawn June 8, 1911.

W. C. Burel to be postmaster at Walnut Ridge, in the State of Arkansas.

HOUSE OF REPRESENTATIVES.

*THURSDAY, June 8, 1911.

The House met at 12 o'clock m.

Prayer by the Chaplain, Rev. Henry N. Conden, D. D., as follows:

O Thou, who art the life and light of men, the inspiration to every high ideal and worthy endeavor, broaden our intellectual conceptions, quicken every noble impulse, widen the sphere of our activities, that by the rectitude of our behavior we may become potent factors in the spread of Thy kingdom, that Thy will may be done in earth as in heaven, in the spirit of the world's great Exemplar. Amen.

The Journal of the proceedings of Wednesday, June 7, 1911, was read and approved.

SWEARING IN OF A DELEGATE.

Mr. KALANIANAOLE appeared at the bar of the House and took the oath of office.

THE WOOL SCHEDULE.

Mr. UNDERWOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11019) to reduce duties on wool and manufactures of wool.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11019) to reduce the duties on wool and manufactures of wool, with Mr. HAY in the chair.

Mr. UNDERWOOD. Mr. Chairman, I yield one minute to the gentleman from Maryland [Mr. LEWIS].

Mr. LEWIS. Mr. Chairman, I realize that there is a growing distaste for the "leave-to-print" practice, both in and out of the Halls of Congress, and with this feeling I have considerable sympathy. In taking advantage of the privilege to-day I have a few words of explanation to offer. On the 14th instant there will be a hearing on the subject of this study before the Committee on Post Offices and Post Roads, and it is desired that those attending, and the committee itself, shall be acquainted with the postal express proposition before the hearing. Again, it is unlikely, under our restricted program, that any bill or resolution relating to this subject will come up for discussion at this session, rendering it necessary that "matter not germane" must go into the RECORD, in order that important subjects should receive the necessary initiatory discussion, preparatory to activity at a later time.

With this frank explanation of my purpose in using the privilege, I trust I shall not be considered as in delicto to the courtesies of the House.

Moreover, it has seemed to me a public duty to present this subject at this extraordinary session, and I think that perhaps a few words of personal explanation upon its origin may not be out of place.

Before my election to the Sixty-second Congress, I may say that I had given this subject about the average attention. I did not then fully appreciate the dependency of the whole proposition upon the question of the rates for railway transportation. After my election it became my duty to make a study of the whole subject. I had, perhaps, some qualification, for I have long made railway economics here and abroad a subject of study. In December the Government issued its first annual report on the statistics of express companies for the year 1909, which developed the fact that the average pay of the express companies to the railways for carrying express matter was about three-quarters (0.74) of a cent a pound, while the postal reports show that the Government paid for its letter or mail transportation about 4 (4.06) cents a pound, barring the weight of equipment in both cases. It was apparent to me at once that the parcels function could not be successfully or economically discharged by the Government on the basis of letter-transportation rates. And then the economic significance of another fact developed: It was that the express companies' service was at a disadvantage, even greater than that of the post office, in regard to the nonrailway transportation of its parcels. The express companies have no agency and at present rates can not secure an agency to reach non-railway or rural points. In short, it appeared that the express companies had exclusive control of one of the absolutely essential conditions of fast package transport, the express rate of three-quarters of a cent a pound, while the post office had equally exclusive possession of the other great agency of necessary service—the rural delivery system. Common sense indi-

cated what the solution must be; these two advantages, the railway express transportation rate and the rural delivery system must be made cooperative; must be united under one control. The express railway transportation rate would, if the Government parcels amounted to but one-fourth of the express business, save it, if in its control, at least \$50,000,000 a year, while the addition of rural delivery to the express business would add to this great service the farming population of our country at practically no cost to them or the country. The bill I have introduced for postal express is the result of these conditions.

PRINCIPAL PROVISIONS OF THE POSTAL EXPRESS BILL.

As I have said, the idea of the bill is to unite in one service the two great instrumentalities above named, in order that a greatly cheapened and an even more extended service to the public may be had. For this purpose the bill provides for the compulsory purchase by condemnation of the railway-express company contracts and franchises, as well as the equipment and property devoted to the express business per se, and their subsequent employment by the postal department in connection with rural delivery and the postal system. The express-railway transportation privileges are all the subjects of contracts between the railways and express companies. They constitute the primary condition of the express service, and while the equipment and other facilities are only immediately necessary to a running plant, and their acquisition is provided for, it is the contracts which constitute the conditions sine qua non of the service. Happily, there can be no legal question as to the right of the Government to acquire these contracts and other facilities upon providing just compensation. I may say at this point that under notes to the bill, printed as Appendix A, the legal and constitutional phases of the subject are severally discussed.

With this brief reference to the more general features of the subject, I will pass on to a more precise and methodical discussion of what seem to be the points more particularly worthy of attention. I shall refrain from the express or implied abuse which so many people think justified with regard to the express companies, and in order to do this will confine myself strictly to economic data and reasoning, as most likely to elucidate the truth. And I shall endeavor to make the study as brief as possible by referring all but the points of the subject to the appendices, where those who are more especially interested may find the data in its original detail.

NECESSITY FOR POSTAL EXPRESS.

In addition to those grave needs for such a service, which the majority of national communities have recognized, as commending its adoption domestically and internationally, there exist in the United States supplementary reasons which it is believed render the institution uncommonly necessary.

Briefly summarized, they are:

(a) The greater area over which our population is distributed and correlatively greater transportation distances which consume so much time by freight that a fast or express service needs to be resorted to in a larger number of instances than if the journey were short.

(b) The 100-pound minimum and corresponding charge in railway practice and the inadaptability of railway methods to diminutive consignments.

(c) The prohibitive minimum charge of the express companies in respect to small consignments.

(d) Absence of railway "collect and delivery" service and absence of "collect and delivery" service by express companies as to our farming population and a large portion of our urban population.

(e) Incalculable waste of transportation effort, so far as made, in movement of necessities of life from the farms to points of consumption, a serious factor in our high cost of living.

Of course, the need for fast service will depend upon the greatness of the distance, when demand is immediate, as much as upon the valuable or perishable character of the shipment. In our country, with an average haul for freight of 251 miles, from three to ten times as long as in Europe, the demand for speed to overcome the obstacle of the time lost in distance, the time-element necessity for an express service is correspondingly increased; and so the disadvantages of inadequate or ineconomical express service are vital. The railway organization of America and its system of practices does not seem adapted to meet this great need; while its refusal, upon adequate grounds, to accept a smaller payment than the rate for its minimum shipment of 100 pounds precludes it from this service even if speed were not prerequisite. The minimum charge of 25 cents (average 27 cents) imposes an equally sub-

stantial and serious restriction upon the express service as now conducted; so that when it is considered that the farmers or nonurban, about half of our population, are virtually excluded from the service of this great agency, and the express rates by their prohibitive costliness substantially minimize the service for the urban population, it is apparent that instead of possessing an express service commensurate with its needs, the United States has both unexampled necessity for, and unexampled deficiency in, its dispatch or express agencies. Add to this situation the tremendous waste and corresponding costliness of the unorganized country-to-town transportation of our necessities, and such almost equally wasteful and quite equally costly express service as we have, and have we not put a finger on one of the big leaks which swallow so much of the unprecedented productiveness of our country?

PROHIBITIVE EXPRESS CHARGES.

We should expect express charges to be higher per ton here than abroad, as much higher as our freight-per-ton charges. But no necessary economic cause is known which justifies a substantially higher proportion or ratio of the express to the freight charges here as compared with other countries. The average express charge per ton here is shown to be \$31.20, while the average freight charge is \$1.90 per ton, giving a ratio of the express charge to the freight charge of 16 (16.42) to 1. This express charge includes the cost of such collect and delivery service as is rendered, covering, it is thought, about 90 per cent of the traffic. In the table now inserted this element of the expense of the express companies for collecting and delivering, amounting to 11.50 per cent, is excluded, because many of the European countries and other data do not include this factor of cost. The table embraces 10 countries, while the specific data upon which the ratios are based are set forth in Appendix B. All countries have been included where the express data is clearly distinguishable from general freight statistics.

Ratios of average express charges to average freight charges in 11 countries.

Countries.	Average express charge per ton.	Average freight charge per ton.	Ratios of average express and freight charges.
Argentina.....	\$6.51	\$1.95	3.2-1
Austria.....	3.77	.74	5.0-1
Belgium.....	4.92	.53	9.3-1
Denmark.....	5.49	.87	6.3-1
France.....	6.88	.95	7.2-1
Germany.....	3.80	.76	5.0-1
Hungary.....	3.68	.93	3.9-1
Netherlands.....	2.43	.67	3.6-1
Norway.....	1.90	.49	3.8-1
Prussia.....	4.32	.86	5.0-1
Average for 10 countries.....			5.23-1
United States.....	27.61	1.90	14.53-1

¹ Belgium delivers parcels.

From this table it appears that while Argentina charges three times, Austria five times, Belgium nine times, Denmark six times, France seven times, Germany (including Prussia) five times, Hungary, the Netherlands, and Norway, about four times as much for carrying a ton of express as of freight, the express companies of the United States charge nearly fifteen times as much.

No further statement need be made to show that the charges of American express companies are prohibitively excessive, and such as to disqualify this service as a national economic agency. The instances given represent merchandise carried by passenger trains in all instances, and while higher charges for both the express and freight tonnage in America are justified by the longer haul, there is no necessary economic reason for a higher ratio of express charges to freight charges. The presence of the "express company" is the only circumstance distinguishing express transportation here from that of the instances cited. In those the "express company" has no part; the work is done exclusively by the railways. As we shall see later, the deficiencies of the express companies are constitutional, not gratuitous merely, and are such as can not be remedied through corporate agencies.

INADEQUACY OF VARIOUS PROPOSALS—REGULATION.

We have seen that the present express service fails to reach the farm, in itself a fundamental objection to its adequacy. It may be suggested that where its high charges are such as to inhibit the traffic, they might be corrected by appeals for reduc-

tions to the Interstate Commerce Commission. A glance at the express report for 1909, it is true, will show that the profits of the companies are clearly out of normal proportion to the investment. But it will also show that such profits amount to but 8.44 per cent of the gross receipts, i. e., to only 8.44 per cent of the rates charged. So that even if all the profits were taken away, the modified rates would show but a wholly inadequate reduction; so that the desired relief could not thus be obtained. As a matter of course, no such reduction would even be asked. No one would wish that they conduct the business without a profit. But in practice even when the justification for a reduction is present, and the power and purpose active, the regulating board will always hesitate to even substantially reduce a rate in the fear of unduly trenching on private rights.

It was this principle which Bismarck had in mind when in connection with a similar subject he spoke of—

The attempts to bring about reform by (regulatory) laws have shown the futility of hoping for a satisfactory improvement through legal (regulatory) measures, without trenching materially on established rights and interests. (Parsons, *The Railways and the People*, p. 318.)

With a margin of but 8 per cent of the rate to work on, the board would feel this constraint in a marked way; for under substantially reduced rates a very slight perturbation of the customary traffic might place in danger the whole net return. Substantial relief in the way of regulation is thus shown to be wholly impracticable.

VARIOUS PARCELS-POST SCHEMES.

There remains to discuss the numerous proposals for limited carriage of parcels up to 11 pounds, and so forth, by the postal department. These all concern the present railway status quo of the Post Office. It is apparent that such proposals can only result in two things—the express companies taking the major portion of the short-haul, profitable traffic and the postal department getting the long-haul and losing traffic. But there is another fact recently disclosed by the express report—a fact rendering any of these proposals, so far as they involve railway transportation, wholly untenable.

The Post Office Department pays an average of 4 (4.06) cents per pound to the railways for carrying the mail, excluding equipment.

The express companies pay an average of three-quarters (0.74) of a cent per pound for carriage of express matter, excluding equipment.

It is manifest that not even the Government could render substantial service under conditions so utterly unequal. It could not pay—what we shall see when we come to consider the length of the express and the mail hauls amounts to—about three times as much as the express companies pay to the railways for carrying its parcels. One is mail service, which is naturally more costly; the other more closely resembles a fast freight service, which lies midway between the mail and the freight in the weight cost of railway movement.

Other difficulties in such proposals, based on the status quo of the Post Office, need only be suggested:

(a) The Government would have to install urban delivery wagons at a cost its traffic might not justify.

(b) The express companies still in the field, the wastes of service would merely be increased by the entrance of the Postal Department, and the people would have to pay it all.

(c) The Government, being a moral agent, with the inelastic rate proposed, would be at the mercy of its unrestrained competitors.

(d) The express companies' contracts with the railways permit them to reduce their compensation to the railways to the point of 150 per cent of the freight rate—i. e., from the present ratio of about 8 (7.80) to 1 of the freight rate to about 1 $\frac{1}{2}$. Of course, they could not go to this extreme without destroying their own profits, but their contracts permit them to go as far as they might wish. Thus, while the Government in the beginning might have to pay about three times as much to the railways for its parcels per pound, in a struggle the express companies could exaggerate this disparity to any point they wished for the purpose of destroying the postal department as a competitor.

ESSENTIAL ELEMENTS OF AN ADEQUATE SYSTEM.

For the sake of brevity we state these elements categorically:

(a) Fast service.

(b) Greatest economically feasible extension of delivery and collect service, necessitating coordination with both urban and rural free delivery systems.

(c) Express railway contracts to secure the relatively low railway rates.

- (d) Cheap capital charges.
- (e) Reliable public-service motive.
- (f) Economies of single organization, in which all existing serviceable plants should be merged.

With regard to the element of fast service, discussion is unnecessary. It is now commonly rendered by the railways for the express companies in connection with the passenger service. It seems worthy of suggestion, however, that a single organization like the Post Office might on the strong lines of traffic, where carload lots might be regularly obtainable, employ for certain kinds of matter the fast freight service, profiting enough on the carload rate reductions to fully cover the expense of delivery and collection, the regular railway 100-pound charges to be paid to the postal express by the shipper. It is further suggested that in this way agricultural products might be received through the rural free delivery in small allotments from the truck gardeners and farmers, consolidated into carload lots and conveyed on the trunk lines to the branch lines and distributed over the branches to destination by passenger trains. The Prussians do, in fact, have this latter service, for which the charge is based on a tariff of twice the freight rate, the regular service by passenger train calling for a charge of four times the freight rate. The railways would now perform such service if, of course, the collect service existed to gather the shipments from the country and assemble them. The Members can, if they wish more particular information as to the possibilities of this cheap and moderately fast service, consult *Railroad Traffic and Rates*, by Johnson and Heubner, volume 1, pages 250 to 288.

It is obvious that the element most wanting is the service described as "collect and delivery," necessary between consignor and railway at the beginning and railway and consignee at the conclusion of the act of transportation. Our country is utterly deficient in this respect as to the "country" or farming population. In towns of about 3,000 or 4,000 population up the present express companies do render this service for such traffic as their rates permit to move; but what is required is a service as extensive as the postal agency, which reaches cities, towns, and country with the degrees of efficiency of the urban and rural deliveries, conceded to far excel such delivery as the express companies give.

There can be no doubt that with regard to this collect and delivery the postal department is the only agency to which we can look for a service sufficiently extensive to be really efficient. It only remains to observe that with regard to the farming part of the country the service already exists in the form of rural free delivery, equipped and paid for, and actually waiting with empty wagons to receive and execute the work.

EXPRESS PAY—THE THREE-QUARTER CENT RATE.

It would not be fair, even were it politically feasible, to compel the railways to give the Government the average rate for carrying parcels they now give the express companies. While on its face it might seem like merely asking for equal rates, as a matter of practice it would be asking them to create and maintain an additional service; that is, conduct two services, one for the postal department and another for the express companies, at what would prove to be but a little or no increase of gross compensation. Moreover, nearly all their contracts with the express companies give the latter a contractual monopoly of the service, and these contracts have been approved by the Supreme Court in Express cases, One hundred and seventeenth United States Reports, page 1. While the Government might force a breach of these monopolies in its own favor, yet it is likely the courts would hold that such a proceeding amounted to taking private property for public use, and that the Government would have to pay the express companies perhaps as much as buying them out would cost.

CHEAP CAPITAL.

With reference to this element the solution is easy. The credit of the Nation is such that it can obtain its capital at a minimum cost, and an interest rate of 2½ per cent is predicated for the bonds necessary to be issued for the payment of the express properties. In this connection it may be well to suggest that Congress is not the agency, under the decisions, to which is given the power to determine the amount of the compensation to be paid for these properties. That function is discharged by commissions and courts, and so the question of the amount to be paid can not be settled by the Congress.

Congress can, however, and it should, of course, approximate what the gross cost of the acquisition of these properties would likely be; and for legislative purposes this can be sufficiently

done by a reference to the general balance sheet of the express companies, which is inserted as Appendix C.

An inspection of the balance sheet shows that the items which are directly devoted to the service, and really function as express-company assets, are as follows:

Real property	\$14,932,169
Equipment	7,381,405
Materials and supplies	138,210
Advance payments on contracts	5,836,666
Franchises, good will, etc.	10,877,869

Total invested capital..... 39,165,819

The balance sheet shows other assets of \$147,055,554 not devoted to the function and which are wholly separable from the express service per se, not necessary to be acquired, but which may be retained by the companies without impairment of their values. For the purposes of this measure the value of the rights to be acquired will be treated for simplicity's sake as about \$40,000,000 and the annual interest charges as \$1,000,000. The courts will at length determine what, in detail, the compensation shall be, and the bill provides the machinery for determining the compensation according to the usual proceedings in such cases.

THE PUBLIC SERVICE MOTIVE.

In institutions as with individuals motive is everything. The motive to serve one's self is the common motive, and to impose sufficient restraint upon its operation when too unsocial is, stated in a broad way, the principal object of government. There is much illogical complaint in this respect against what are called "public utilities." Their owners, who naturally have invested their money with the purpose of gain, are expected to behave differently from investors in general. Of course they do not, but why should we expect them to? Because they have a monopoly, it is argued. Well, this may impose an inferential duty, yet who will say that it can have any decisive influence upon the normal motive of the investor to gain all he can?

Where public needs and social considerations, as in this instance, become the principal and dominating purpose, where imperative public service is the great object to be accomplished, the world naturally has not yet found the restricted private motive adequate to the work. To illustrate: If the express companies were assured that by carrying 8,000,000 tons, at \$15 per ton, they would net \$11,000,000 profit, but that by carrying only 4,000,000 tons, at \$30, they would as surely net \$11,000,000 the private motive would be at a standstill to determine which set of rates to adopt. The slightest uncertainty as to whether the half rates might produce 1 per cent less would effectually incline it to the smaller service and the surer net return. How differently the public motive would act is seen in postal history. In a generation it has reduced the rate at home one-third, reduced it three-fifths to Great Britain and Germany, and added city and country delivery to the service. Not one of these great accomplishments for society would have been conceived, even, by the private motive, or if conceived, been at all practicable. It seems clearly apparent that the public motive alone will suffice to secure the greatest economic service, and reliance upon what is for this purpose the inferior private motive in such a service will not justify any hope for the future. It is only necessary to suggest the necessity for unity of plan, purpose, and execution in order to obtain economical results. But as to the superior efficiency of our postal system as a working organization I believe it may be of interest to speak more at length.

EFFICIENCY OF THE POSTAL SYSTEM.

There has been a disposition among a certain order of writers to refer the conceded excellency of the operation of public utilities in Germany to the military spirit or to the alleged presence there of a class accustomed to command and a working class equally accustomed to obey. Obligated to admit that Germany's experience with public functions has been satisfactory these writers insist that our democracy precludes any such hope in America. They do not speak of mere irregularities here, although these are what they hold up as evidence for inefficiency, and since such irregularities in foreign countries do not get into our press, a kind of unfavorable impression is made. Talk of postal deficits is indulged in as if such deficits were not merely definite statements of the amount of service given the public for which it is not called upon to directly pay. But the point of efficiency involves a wholly different element—the amount of service rendered by the employees. The table shows this service and its extraordinary advancement during a generation, notwithstanding the added burdens, notably, the rural free delivery.

POSTAL EFFICIENCY TABLES.

Comparative table of the number of pieces of mail matter handled per employee in England, France, Germany, and the United States at different periods.

Countries.	Average number of pieces of mail matter handled per employee in—					
	1890	1895	1900	1905	1908	1909
England.....	22,239	28,775	28,646	31,945	31,117	.....
France.....	34,500	35,700	38,309	41,958	38,241	.....
Germany.....	17,287	15,638	20,552	22,160	25,901	.....
United States.....	24,611	26,235	32,569	42,739	51,591	54,239

These averages were reached by dividing the total number of employees engaged in the postal service into the total number of pieces of mail matter for the years given. In the cases of France and Great Britain the number of employees was diminished by one-fourth the estimated number employed in the telegraph and telephone service; in the German figures the same reduction for the telegraph and telephone employees is also made, but is raised to one-third in 1908. The statistics are found in the *Union Postale Universelle Statistique Generale*, published at Berne, Switzerland.

There are, of course, some slight differences of conditions in the work done by the respective postal plants. Postal savings and parcels are all the subjects of more extensive service in the foreign examples; but it is believed that these are much more than made up in the United States service by its low density of population, entailing greater railway mail, rural free delivery, and other work expenditures upon the average mail piece. The marked extent of this condition is shown by the mere statement of the population per square kilometer of area: 8 for the United States, 73 for France, 146 for Great Britain, and 112 for the German Empire.

MERGING OF EXPRESS PLANTS.

The measure designs merging the present express plants into one, and adding the united plant to the postal department. Only in this way can the economies of unity of service be secured, and the rural free delivery and the general clerical agencies of the postal organization be articulated to the express plants. The railway transportation of express matter would continue to be segregated from the mail as now, except in those instances where common car facilities might work to the advantage of the department and the railways. The bill provides for retaining the present express employees without civil-service examinations. In a year or two they should be placed in the same class with railway mail clerks and mail carriers as to rights and wages. The work of assimilation will doubtless take a year or more; meanwhile the employees and the public will be under the service conditions obtaining at the date of the acquisition. It would be impracticable in the extreme for the Congress to attempt to deal in detail with the new acquisitions. Only departmental knowledge and elasticity of treatment could plan and execute for the very best results. By no means the least advantage to accrue from the step would be the sure elevation of the working personnel, an extremely hard-working body of men, who do not appear to receive much more consideration from their employers than from the usually indignant consignee under the disturbing influence of the diminutive size of the package as compared with the "collect" charge. To lift 50,000 of these men to the status of the mail clerk and mail carrier is surely a worthy purpose of government.

SAVINGS ON EXPRESS EXPENDITURES UNDER POSTAL EXPRESS.

The maleconomy of the express company régime in the United States flows from the parasitic relationship of these companies to the railways and to their complete absence of relation with the postal system. Only maleconomy may be expected where the normal agency, the post office, is deprived of its function, displaced by another organism abnormally articulated to the railway at one end and not articulated at all to the natural distributing postal agency at the other. One of its fundamental failures to properly discharge its spurious function (service to the country) has been pointed out. But the parasitic nature has not failed, for on a trivial investment in capital, functional per se, of only \$22,313,575.53, it showed the typical characteristic of extracting \$11,387,489.15 in profits—over 50 per cent—in 1909; while about twice as much more money is sacrificed by maladjustments of the parasitic relations, and these will now be treated.

The classification of operating expenses, under which the accounts of express companies are kept, divides the expenses into four general heads, as follows: "Maintenance," "Traffic," "Transportation," and "General expense."

"Maintenance" expenses represent the cost of maintaining the plant, such as cost of repairing and renewing buildings, wagons, automobiles, office furniture and fixtures, renewals of horses, and the cost of superintendence of such maintenance.

"Traffic" expenses represent, broadly, the cost of securing traffic, covering such items as pay of traffic managers, expenses for advertising, for printing tariffs and classifications, for memberships in commercial bodies, and so forth.

"Transportation" expenses cover the cost of conducting transportation, the plant being considered as a going concern. Under this head comes the pay and expenses of officials directly in charge of the employees; pay of drivers, porters, messengers on trains; the stable expenses, such as rent of stables, horse feed, horseshoeing; payments for loss and damage; payments for injuries to persons; rents of office buildings; stationery used in the local offices; and all similar items of expense.

Under "General" expenses comes the pay and expenses of the chairman of the board of directors, the president, treasurer, auditor, and other general officers; the salaries and expenses of their clerks and attendants; all general office supplies and expenses; law expenses; insurance, pensions, and cost of stationery and printing used in the general offices.

Each of the four general accounts to which reference has been made is subdivided into a number of primary accounts, in order to still further classify the items of expense and the saving which it is estimated can be made in operating expenses through the consolidation of the plants of the 13 separate express companies into a postal-express organization, has been calculated for each of the primary accounts. As a result of such calculation it is found that, taking the total expenses of the 13 companies for the year ending June 30, 1909, as the basis of comparison, a saving of \$22,888,477 can be made, or a little more than 40 per cent of the total operating expense of \$56,273,055. This saving is distributed among the general accounts as follows:

Maintenance.....	\$1,457,000
Traffic.....	652,594
Transportation.....	17,996,750
General expense.....	2,782,133
Total.....	22,888,477

Of course there is no absolute basis on which the saving may be ascertained, but it is believed that the figures given are very conservative and that the saving will be much greater than stated. However, it is better to understate than to overestimate. Accepting, then, the figures arrived at as representing the saving in operating expenses, to them should be added taxes amounting to \$906,519 and profits of \$11,387,489, making a grand total of \$35,182,485. From this deduct interest at 2½ per cent on \$40,000,000 of bonds, or \$1,000,000, and we have left a clear saving of \$34,182,485.

Because of the fact that there are a great number of "common-point" offices, at which two or more—frequently seven or eight—companies are represented, all the equipment acquired would not immediately be necessary for the operation of the business, but could be reserved until the increase which would undoubtedly come through reduction in rates demanded that it be out in service. It is a fact that in many, in fact most, of the "common points"—about 8,000 in number—an increase of one-third to one-half in the equipment and facilities of any one company would handle the entire business of all companies, and in this fact lies the strongest reason why a very considerable saving can be made in operating expenses.

Among items of expense which would be entirely eliminated may be pointed out the salaries and expenses of the hundreds of clerks in auditors' offices who do nothing but prorate the percentages accruing to transportation lines for the privilege of conducting an express business over them; the salaries and expenses of other hundreds in the same offices who prorate the charges between companies on waybills originating with one company and terminating with another—through bills, as they are called. The saving in the duplication of salaries and expenses of traffic managers, solicitors, presidents, treasurers, auditors, and superintendence of all kinds must be apparent, and, in fact, the possibilities in this line appear almost unlimited.

The great amount of detail work in the express business as now conducted is well known to all who are familiar with the business, and through the elimination of a large part of the detail still further economies will be effected.

As an illustration of detail which may be eliminated, take the case of a package originating with express company A, destined to a point reached only by express company B. Company A waybills the package to a junction point with company B. On arrival at the junction point the shipment is written up on the regular form of delivery receipt and delivered to

company B, which makes another waybill from the junction point to destination. On arrival at destination it is again written up for delivery. Notice the duplication of work, each of the two companies going through practically identical processes.

Systems of through cars between large centers of population could be run, thus obviating the expense of labor in unloading and reloading cars at the terminus of a transportation line. When it is held in mind that under the proposed plan it would be possible to forward these cars over any railway line or from any depot the saving effected would be considerable when compared with the present conditions, which often require that a car be unloaded and its contents hauled in wagons across a city and then reloaded into another car on a different line of road. Not only would there be a saving in labor, but also in time and in risk of loss or damage in handling.

On a gross business of approximately \$132,500,000 the operating expenses show items 19, 33, and 47, amounting to \$1,360,076.54, as paid for stationery, while the postal system on a gross business of \$208,351,886 shows \$338,805.57. An aggregate saving on these items of \$561,810 is predicated, leaving about \$800,000 still available for expenditure. But with the simplified condition and the possible devices for eliminating the complex and almost endless accounting it is not unlikely that a million dollars could be saved here. Take again the item of commissions, amounting to \$6,621,952.63. This represents payments to railway agents whose connection with the subject would be shifted to the Post Office with but little of increased expense. Items 16 and 17, "outside agencies" and "advertising," might be almost wholly saved. But I will leave the further detail of this phase of the subject to an appendix. The statement of receipts for 1909 and of necessary expenditures under a régime of postal express, upon this reasoning as to savings, would be as follows:

Gross revenues, 1909.....	\$132,599,190.92
Savings, net	34,182,485.00
	98,416,705.92

This saving, if applied to the rates in 1909, would have resulted as follows:

	Cents.
Actual express rate per average pound.....	1.56
Reduction of rate per average pound.....	.44
Feasible rate under savings.....	1.12

POSTAL-EXPRESS RATES AND THE RATE DECLENSION.

There are two factors in any rate structure which call for the first order of attention:

First. A rate sufficiently low to permit the article to move (with a profit) to its natural market and yet sufficiently large to fully pay the cost of the service.

The plan of postal express, it will be shown, reduces the rate average from 1.56 cents per pound to 1.12 cents, thus conceding to the market mobility of the article an advantage of nearly one-third.

Second. The completest simplicity in the rate structure itself.

When this simplicity can be secured in harmony with the cost of the service and market mobility of the article concerned, all is gain. But if, as in the case of many proposals, the rate is made for simplicity's sake alone and substantial differences of service elements are market mobility are overlooked, the wisdom is not unlike the false simplicity of those eastern laws which impose the same punishment for all offenses.

The bill places the entire work of regulating the sizes and conditions of packages and other conditions of shipment with the Postmaster General. It also places with him the work of rate making for the same, with the right of appeal to the Interstate Commerce Commission. The bill does not obligate him to adopt the rate system herein proposed, and the discussion which follows is to be taken as elucidative and not as an obligatory part of the system. The rate-making agency should have the utmost freedom of power of action, so that administrative, fiscal, and public-service conditions may be adequately coordinated.

THE SQUARE-ROOT FORMULA OF RATE DECLENSION.

One of the most interesting discoveries in the history of railway economics was made by T. M. R. Talcott, of Richmond, Va., a railway engineer of about two generations' experience, who has written a modest but very useful work on "Transportation by rail."

In an investigation into transportation matters by the Industrial Commission in 1900 he stated that he was called upon to make local rates for a new line of railway. Being free from the complications of competition as to such rates, he was able to arrive at a satisfactory charge per hundred pounds to the first station, about 25 miles distant. But as to the stations farther on and greater distances, what should the rates be? Obviously they should not increase in proportion to the distance, for the

element of terminal service would not increase. At what rate of increase, then, should rates for lengthening distances be computed? His conclusion was that in a rough way the rate would increase, not in proportion to the distance, but in proportion to the square root of the added distance—thus if the rate for 25 miles were 10 cents, the rate for 100 miles would be 20 cents, the square root of 25 being 5 and of 100, 10. Popularly expressed, the rate would double as the distance quadrupled. On this principle he formulated a table for the division of joint rates among participating connecting carriers known as "Talcott's tables for division of joint rates." He states that in several court proceedings as auditor he adopted this formula for division of receipts, and his reports were confirmed by the courts. I tested this rule in the largest way which seemed possible by taking the long and short hauls for local freight, with their corresponding charges, on 42 railway systems. The test showed that while none of the particular rates coincided with the formula, yet the averages of all were as—

Formula rate for long haul.....	\$1.2774
Actual rate for long haul.....	1.2957

with a short-haul charge of 49.19 cents and hauls of 72.5 and 451 miles, respectively.

In these averages are included some Pacific coast freight rates, apparently made on the per mile rule, so extreme in their character that their absence from the computations would quite cover the difference between the actual and the formula rates. An inspection of English and continental freight rates shows a tendency to the same rate of declension, but I have not had the material to make definite computations as to them. But it may, I think, be stated that even as to freight rates the Talcott formula does not overstate the scale of declension.

THE RATE DECLENSION OF EXPRESS RATES.

For the purpose of adjusting its parcel charges to market mobility and to the cost of service, Germany and Austria established the "zone" idea for parcels weighing 13 to 110 pounds. The rates on a 13-pound package are here given with the mileage, and a column is added giving the square root of each distance, and what the charges would be in square-root terms of the rates for the shortest distance, if the rates were made on the Talcott formula.

German and Austrian parcels rates for different distances on 15-pound parcels, and showing rates for such distances, under the square-root formula.

Weights.	Miles.	Square root.	German rate in pfennigs.	Square-root rate.	Austrian rate in hellers.	Square-root rate.
6 kilograms (13 pounds).....	46.1	6.80	30	30.00	36	36.00
Do.....	92.2	9.60	35	43.33	42	48.28
Do.....	230.5	15.17	45	66.89	54	76.30
Do.....	461.0	21.47	55	94.68	66	1.07.94
Do.....	691.0	26.29	65	118.30	78	1.32.23
			230	353.20	276	4.00.75

The German pfennig (0.238) and the Austrian heller (0.203) are each a little more than two-tenths of a cent, and are each the hundredth of a mark and a crown, respectively.

A brief explanation of the mathematical process involved in calculating the declension may not be out of place. Take the case of Germany, the short distance is 46.1 miles and the square root of 46.1 is 6.80. The rate for the short distance is 30 pfennigs. This rate is divided by the square root and the product found is 4.41 pfennigs. To obtain the charge on 92.2 miles this 4.41 is multiplied by the square root of 92.2, which is 9.60, and the result is a rate of 48.28 pfennigs under the Talcott formula. In all these computations the short-haul rate is taken as the base rate, which being divided by the square root of the miles of haul supplies the unit charge, which being, in turn, multiplied by the square root of the number of miles of the longer haul, produces its rate according to the formula.

It is apparent that the curve of declension in express transportation is markedly greater than in the freight. The actual German and Austrian rate declensions are 35 per cent and 31 per cent, respectively, greater than that of the formula for the zones established. The next step will be to observe whether, and to what extent, American express rates follow this curve of declension. There is added to this study Appendix E by the Interstate Commerce Commission, showing actual merchandise rates between 10 different points for distances of from 36 miles to 3,600 miles on shipments of from 5 pounds up to 100. The table following represents the averages of all the rates given in Appendix D, and gives in parallel columns tentative express rates computed on the Talcott formula.

Table showing average express company rates and mileage and tentative postal express rates for same distances.

Miles.	5 pounds.		10 pounds.		20 pounds.		30 pounds.		40 pounds.		50 pounds.		60 pounds.		70 pounds.		80 pounds.		90 pounds.		100 pounds.		Square root of miles.
	Express rate.	Tentative postal express rate.	Express rate.	Tentative postal express rate.	Express rate.	Tentative postal express rate.	Express rate.	Tentative postal express rate.	Express rate.	Tentative postal express rate.	Express rate.	Tentative postal express rate.	Express rate.	Tentative postal express rate.	Express rate.	Tentative postal express rate.	Express rate.	Tentative postal express rate.	Express rate.	Tentative postal express rate.	Express rate.	Tentative postal express rate.	
36.....	\$0.27	\$0.11	\$0.32	\$0.16	\$0.32	\$0.17	\$0.41	\$0.19	\$0.44	\$0.21	\$0.48	\$0.24	\$0.53	\$0.29	\$0.53	\$0.34	\$0.54	\$0.38	\$0.54	\$0.43	\$0.54	\$0.48	6.00
62.....	.34	.11	.39	.16	.40	.17	.49	.22	.55	.27	.61	.31	.69	.38	.73	.44	.73	.50	.73	.57	.73	.63	7.87
100.....	.36	.11	.42	.16	.46	.20	.56	.25	.64	.34	.74	.40	.82	.48	.89	.56	.89	.64	.89	.72	.89	.80	10.00
144.....	.41	.11	.49	.16	.57	.23	.67	.33	.75	.41	.85	.48	.97	.58	1.09	.68	1.14	.77	1.16	.87	1.19	.96	12.00
196.....	.43	.11	.51	.16	.60	.26	.73	.36	.82	.46	.95	.56	1.08	.67	1.22	.78	1.28	.90	1.30	1.01	1.30	1.12	14.00
255.....	.47	.12	.57	.18	.72	.28	.83	.41	.91	.53	1.01	.64	1.17	.77	1.35	.89	1.45	1.02	1.61	1.15	1.68	1.28	15.97
320.....	.50	.13	.63	.19	.79	.33	.91	.47	.99	.60	1.05	.72	1.23	.86	1.43	1.01	1.58	1.14	1.80	1.29	1.77	1.43	17.89
402.....	.56	.14	.71	.21	.83	.36	1.05	.51	1.12	.66	1.15	.80	1.33	.96	1.61	1.12	1.82	1.28	1.91	1.44	2.18	1.60	20.05
484.....	.62	.15	.79	.23	1.01	.35	1.23	.56	1.35	.72	1.40	.88	1.68	1.06	1.96	1.23	2.24	1.41	2.52	1.58	2.78	1.76	22.00
576.....	.63	.16	.83	.24	1.09	.42	1.33	.60	1.54	.80	1.59	.96	1.90	1.15	2.22	1.34	2.53	1.53	2.85	1.73	3.12	1.92	24.00
677.....	.68	.16	.92	.25	1.24	.44	1.54	.65	1.83	.85	1.86	1.04	2.24	1.25	2.61	1.46	2.98	1.66	3.35	1.87	3.70	2.08	26.02
787.....	.68	.17	.93	.27	1.26	.49	1.52	.70	1.80	.91	1.79	1.12	2.24	1.35	2.61	1.57	2.98	1.80	3.35	2.02	3.73	2.24	28.05
905.....	.70	.18	.97	.29	1.30	.52	1.61	.75	1.90	.98	1.99	1.20	2.36	1.44	2.75	1.68	3.14	1.92	3.54	2.17	3.93	2.41	30.08
1,030.....	.72	.19	1.03	.31	1.40	.56	1.78	.80	2.25	1.04	2.35	1.28	2.79	1.54	3.26	1.79	3.72	2.05	4.19	2.30	4.65	2.56	32.00
1,151.....	.74	.19	1.07	.32	1.49	.58	1.97	.84	2.43	1.11	2.60	1.36	3.11	1.63	3.69	1.90	4.14	2.17	4.66	2.44	5.18	2.71	33.92
1,297.....	.78	.20	1.18	.34	1.72	.62	2.40	.89	3.02	1.17	3.25	1.44	3.69	1.73	4.53	2.02	5.17	2.30	5.82	2.59	6.46	2.88	36.00
1,450.....	.78	.21	1.21	.35	1.83	.65	2.51	.94	3.18	1.24	3.46	1.52	4.26	1.83	4.82	2.13	5.52	2.44	6.21	2.74	6.90	3.05	38.08
1,597.....	.79	.22	1.25	.37	1.90	.68	2.63	.99	3.35	1.30	3.74	1.60	4.33	1.92	5.18	2.24	5.90	2.56	6.66	2.88	7.40	3.20	39.96
2,500.....	.80	.26	1.40	.45	2.60	.84	3.87	1.23	4.47	1.62	5.58	2.00	6.65	2.40	7.76	2.80	8.87	3.20	9.98	3.60	11.08	4.00	50.00
3,136.....	.81	.28	1.54	.50	2.89	.94	4.28	1.37	5.70	1.80	6.88	2.24	8.71	2.69	9.58	3.14	10.95	3.58	12.32	4.03	13.69	4.48	56.00
3,652.....	.85	.30	1.65	.53	3.00	1.01	4.47	1.45	5.95	1.95	7.44	2.42	8.92	2.90	10.44	3.38	11.90	3.87	13.39	4.35	14.87	4.83	60.43

NOTE.—The "express company rates" below the rates printed in *italics* in table exceed in amount what the Talcott formula would give. The like rates in the columns above and to the left are much less than if computed by that formula. All of the "tentative postal express rates" are according to the formula.

It should be noted that the tentative rates from 5 to 40 pounds are specially loaded to cover their relative cost of terminal service.

It must not be concluded from the manner in which the American freight, German and Austrian, or American express rates approach to or fall below what is here denominated the "square root curve," that any of the rate makers acted on the formula, or even had it in mind. The freight rates of the 42 railways referred to would rather indicate that the rate makers were aiming at a target, the exterior outlines of which could be dimly seen, but the center point of which was not visible; and while the individual rates usually approximated, they did not coincide exactly with the Talcott scale. I think, however, that a system of express rates formulated on this principle, while giving mobility to traffic covering long distances, would be ample to cover the relative cost of the service.

SIMPLICITY OF RATES.

The importance of having a simple formula by which, the weight of package being known, the application of a scale to a map would readily determine the charge, is obvious. Devices for this purpose at once suggest themselves. Each county might be regarded as a point, and measurements to that point from like points could easily be made. Each post office, or habitual user of the service, might attach to a pivot set at the point of sending a scale to rotate to any desired point, and adjoining the point of destination, the scale would show the cost, according to the pounds in the package, without the possible errors of computation. Fractions of the square root would of course be rejected. Stamps or printed slips attached to the package,

stamped with number of office and of package, and date, would also show weight, character, insurance, and distance of shipment, supplying automatically a record of the pounds and pound-mileage for each office, and, as desired, the like data for the whole country. All this by the simple expedient of printed identification slips or stamps adapted to the different weights and distances, and arranged in a cabinet as passenger tickets may be seen in ticket offices. Under existing circumstances there is no rule by which one can determine the cost of shipment, short of application for quotation of the rate, at the express office.

And with respect to the number of express rates and their complexity the situation is not fundamentally different from that of freight rates. An inspection of the division of express rates and tariffs in the Interstate Commission shows 8 shelves, each approximating 120 feet in length, filled with these express tariffs, filed like books—or 960 feet of library shelving. If anyone should think this a matter of small significance let him consider the complexity in mere numbers alone of the freight rates of the country, said to be over 800,000,000,000, one of which is the right, and all the others the wrong, rate for the shipment at hand.

BASIS OF TENTATIVE POSTAL EXPRESS RATES.

The express report for 1909 shows the average product of all the express rates to have been about 1½ (1.56) cents per pound. The following table gives, in a summarized form, the official data upon the subjects of the number, weights, revenue per class, revenue per pound, and so forth, of the express traffic.

Statistics of total revenue tonnage for months of April, August, and December, 1909.

	Number.	Weight.	Revenue.	Revenue per piece.	Revenue per pound.	Per cent of total.		
						Number.	Weight.	Revenue.
100 pounds or less.....	67,469,488	1,725,191,630	\$30,006,746	44.47	1.74	95.01	74.06	83.69
Over 100 pounds.....	3,506,651	563,813,172	5,250,078	149.72	.93	4.94	24.21	14.64
Extraordinary shipments.....	37,156	40,337,390	599,727	1,614.08	1.49	.05	1.73	1.67
Total or average.....	71,013,295	2,329,342,192	35,856,551	50.49	1.54	100.00	100.00	100.00

From this table it appears that the traffic at 1.74 cents per pound produces 83.69 per cent of the revenue; that the traffic at 0.93 cent a pound produces 14.64 per cent of the revenue; while from that conveyed at 1.49 cents per pound less than 2 per cent (1.69) is realized.

BASAL RATE.

Entering into the structure of the tentative postal express rates are three inferential facts, upon the approximate validity of which depends their general accuracy. These facts are summarized:

(a) The average haul of 196 miles.

(b) The average charge per pound of 1.12 cents.

(c) Sufficiency of loading for light parcels.

The average length of haul for freight is known to be 251 miles (251.1) for 1909, the average having increased to that figure from 242.73 in 1900. There are no reports of the express companies which show the average length of haul for express matter. It is believed that it may exceed the freight haul, and is very unlikely to be less, and the reasons for this belief may be worthy of statement. A reference to Appendix A shows that seven countries specifically report the express and freight hauls, and for these countries the average express haul is 68.7

miles and the freight 66.7 miles, showing a percentage of about 3 per cent in favor of the former.

Being obliged to resort to inference as to the haul in the United States, there are several peculiar circumstances to be noted. First, the exceptionally high express charges here as compared with those of Argentina and Europe, and here the question arises, What would their effect be on the length of the American haul? At first blush it might seem that they would tend to restrict the traffic. This I believe is true. Doubling the charges in the passenger traffic would probably reduce the passenger mileage by a percentage approaching one-half and greatly reduce the average journey. But the cases of the express and passenger traffic are not wholly similar. There is practically no declension of the rate with the increase of the passenger journey. As we have seen, the case is wholly different with respect to our express rates. There is a marked declension for increasing distances in express transportation, and so it seems reasonable to say that while our express rates probably do greatly reduce the volume of the possible traffic a like effect on the length of the haul is prevented by—

(a) The marked declension in the rate for long distances; and
(b) The greater necessity for express or dispatch speed on account of the greater distances themselves.

It is probably the exaggerated necessity flowing from this cause that helps to lift the volume of the American traffic to within some relation to the volume in other countries.

I think it is not improbable that the express haul here not only exceeds the freight in length, but that 300 miles is an approximation of its length. However, to be manifestly safe, I have adopted 196 miles as the average haul in constructing the table that follows, as well as in the general table of tentative rates for all other distances, which precedes.

RATE OF 1.12 PER POUND FOR AVERAGE HAUL.

The tables accept this datum as the cost of the average pound under postal express for the average distance. It is a deduction from the argument on "savings" according to which the express work of 1909, which represented gross charges of 1.56 cents per pound, can be accomplished under postal express at about 1½ (1.12) cents a pound. It is not thought that the limits of this base would involve any risk of trenching on the ability of the service to fully pay its way. The practical certainty that the haul is from 25 to 50 per cent greater than predicated for the expense of the transportation rate would in practice show a profit on this rate of from 10 to 20 points on the transportation element, amounting to 0.74 cent a pound. There is besides the special loading of the pound rates of from 6 cents to 2 cents on the parcel of from 1 to 40 pounds, which is designed to protect the service cost with adequate revenue. But this service is already paid for in the case of rural free delivery, and a substantial gain in revenues over expenditures should be realized from this special loading.

In order to clarify, a table is now presented, giving rates for the average haul on parcels from 1 to 50 pounds and for 60, 70, 80, 90, and 100 pounds in weight, showing the portion of the base charge per pound—that is, of 1.12—which is assigned for "transportation," "express general expense," "collect and delivery," and "special collect and delivery." There is also presented the present average express charge and the charge under the several parcels-post bills, proposing a rate of 8 cents a pound.

Rates per pound and loadings for express service, railway, collect and delivery, and special collect and delivery, and the present average rates of express companies, and rates under various parcels-post bills on average haul, assumed as 196 miles.

Pounds up to—	Loadings.				Total postal express rate.	Present express rate.	Parcels-post bills rates.
	Railway transportation.	Express general expense.	Collect and delivery.	Special collect and delivery.			
	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
1.....	0.74	0.27	0.11	5.88	0.07	.....	0.08
2.....	1.48	.54	.22	5.76	.08	.....	.16
3.....	2.22	.81	.33	5.64	.09	.....	.24
4.....	2.96	1.08	.44	5.52	.10	.....	.32
5.....	3.70	1.35	.55	5.40	.11	0.43	.40
6.....	4.44	1.62	.66	5.28	.12	.....	.48
7.....	5.18	1.89	.77	5.16	.13	.....	.56
8.....	5.92	2.16	.88	5.04	.14	.....	.64
9.....	6.66	2.43	.99	4.92	.15	.....	.72
10.....	7.40	2.70	1.10	4.80	.16	.51	.80
11.....	8.14	2.97	1.21	4.68	.17	.....	.88
12.....	8.88	3.24	1.32	4.56	.18	.....	.96
13.....	9.62	3.51	1.43	4.44	.19	.....	1.04
14.....	10.36	3.78	1.54	4.32	.20	.....	1.12
15.....	11.10	4.05	1.65	4.20	.21	.....	1.20
16.....	11.84	4.32	1.76	4.08	.22	.....	1.28

Rates per pound and loadings for express service, etc.—Continued.

Pounds up to—	Loadings.				Total postal express rate.	Present express rate.	Parcels-post bills rates.
	Railway transportation.	Express general expense.	Collect and delivery.	Special collect and delivery.			
	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
17.....	12.58	4.59	1.87	3.96	0.23	.....	1.36
18.....	13.32	4.86	1.98	3.84	.24	.....	1.44
19.....	14.06	5.13	2.09	3.72	.25	.....	1.52
20.....	14.80	5.40	2.20	3.60	.26	0.60	1.60
21.....	15.54	5.67	2.31	3.48	.27	.....	1.68
22.....	16.28	5.94	2.42	3.36	.28	.....	1.76
23.....	17.02	6.21	2.53	3.24	.29	.....	1.84
24.....	17.76	6.48	2.64	3.12	.30	.....	1.92
25.....	18.50	6.75	2.75	3.00	.31	.....	2.00
26.....	19.24	7.02	2.86	2.88	.32	.....	2.08
27.....	19.98	7.29	2.97	2.76	.33	.....	2.16
28.....	20.72	7.56	3.08	2.64	.34	.....	2.24
29.....	21.46	7.83	3.19	2.52	.35	.....	2.32
30.....	22.20	8.10	3.30	2.40	.36	.73	2.40
31.....	22.94	8.37	3.41	2.28	.37	.....	2.48
32.....	23.68	8.64	3.52	2.16	.38	.....	2.56
33.....	24.42	8.91	3.63	2.04	.39	.....	2.64
34.....	25.16	9.18	3.74	1.92	.40	.....	2.72
35.....	25.90	9.45	3.85	1.80	.41	.....	2.80
36.....	26.64	9.72	3.96	1.68	.42	.....	2.88
37.....	27.38	9.99	4.07	1.56	.43	.....	2.96
38.....	28.12	10.26	4.18	1.44	.44	.....	3.04
39.....	28.86	10.53	4.29	1.32	.45	.....	3.12
40.....	29.60	10.80	4.40	1.20	.46	.82	3.20
41.....	30.34	11.07	4.51	1.08	.47	.....	3.28
42.....	31.08	11.34	4.62	.96	.48	.....	3.36
43.....	31.82	11.61	4.73	.84	.49	.....	3.44
44.....	32.56	11.88	4.84	.72	.50	.....	3.52
45.....	33.30	12.15	4.95	.60	.51	.....	3.60
46.....	34.04	12.42	5.06	.48	.52	.....	3.68
47.....	34.78	12.69	5.17	.36	.53	.....	3.76
48.....	35.52	12.96	5.28	.24	.54	.....	3.84
49.....	36.26	13.23	5.39	.12	.55	.....	3.92
50.....	37.00	13.50	5.50	.00	.56	.95	4.00
60.....	44.40	16.20	6.60	.....	.67	1.08	4.80
70.....	51.80	18.90	7.70	.....	.78	1.22	5.60
80.....	59.20	21.60	8.80	.....	.90	1.28	6.40
90.....	66.60	24.30	9.90	.....	1.01	1.30	7.20
100.....	74.00	27.00	11.00	.....	1.12	1.30	8.00

The foregoing table is designated to cover the statistical average haul, set here as 196 miles, but believed to be in fact about 300 miles. Excepting those rates below 50 pounds, which are specially loaded, the tentative postal-express rates are computed by dividing 1.12 by the square root of the assumed average haul, 14, which produces eight one-hundredths of a cent (per square-root unit) per pound. Thus, if it be desired to find the rate on 100 pounds for 3,600 miles, the square root of which distance is 60, this square-root number is multiplied by 8 and the product multiplied by the number of pounds, which gives the rate as \$4.80, equaling \$96 per ton, the average express company rate now being \$297 per ton. Of course there could be no traffic to speak of at these company rates, so that their elimination would not actually affect the receipts of the railways, while the postal-express rates, which would render such traffic feasible, would greatly advantage all.

It is to be noted that of the three classes of traffic the gross income per pound for which is given, in the report of 1909, as 84 per cent at 1.74 cents and 1.67 per cent at 1.49 cents, all much above the 1.12 base adopted in this study, there is also a third line of traffic producing 14.64 per cent of the gross income, which was carried at 0.93 of a cent per pound. These rates—0.93 on a pound—would of course continue to operate until the development of the system enabled the postal department to reform if not to reduce them. The shipments in this class consist of packages exceeding 100 pounds in weight, and the relatively low rate at which the companies appear to have carried them suggest the commodity rates of an ordinary freight tariff. They suggest, too, that the Postmaster General could very probably employ such commodity rates to save the fruit growers' crops from going to waste in the fields because of inhibitory express rates while the consumers were demanding an increased supply. But the data is insufficient for definite discussion of this portion of the subject, and so I leave it. In the computation of prospective receipts, as a whole, from the proposed rates, the tentative rate revenue produced is only predicated of the traffic hitherto moving on the average major rates, and the revenue from the 0.93 of a cent a pound traffic is accordingly computed.

DEVELOPMENT OF TRAFFIC.

It is believed that a great increase of the traffic would result from the reduction of the rates and the extension of the service beyond the cities to the country. That the traffic is now laboring under a radical restriction of volume because of the

inhibitory charges and the exclusion of the rural population becomes apparent in its absolute and relative quantity when compared with the express traffic in other countries. A table is now inserted giving comparative data in this respect:

Ratios of express to freight traffic in several countries.

Countries.	Ratios.		Per capita	
	Express.	Freight.	Express.	Freight.
			<i>Pounds.</i>	<i>Tons.</i>
Argentina.....	1	64	165	5.34
Austria.....	1	97	117	5.63
Belgium.....	1	82	199	8.16
France.....	1	53	141	3.74
Germany.....	1	113	140	7.99
Hungary.....	1	84	68	2.77
Average (except United States).....	1	82	138	5.61
United States.....	1	165	99	8.15

From this table it appears that the ratios of the express weights to the freight weights is only one-half here of what it is abroad, while the freight traffic per capita here exceeds the average freight traffic abroad by 31 per cent. The express traffic abroad exceeds that here by 39 per cent, and the express figures do not include the weights of the parcels carried by post abroad, which would further accentuate the disparity.

It appears from the express report that the ratios of the charge made by the railways to the express companies here for carrying express parcels is as 7.8 to 1, a ratio which, excluding the express element, is itself greater than the ratio of the whole express charge abroad. If the volume of the express business in the United States were made normal, the railways themselves would reap a greater increased revenue, even at a considerable reduced transportation charge. It is believed that as this increased to a normal traffic of nine or ten or more millions of tons, instead of the four and a half millions of tons now realized, it is perhaps not too much to hope that the transportation pound rate might fall from 0.74 to 0.50 or thereabouts. Even with such an approach to the normal the transportation rate per ton would be far above the usual and the revenue to the railways from a service not operatively more costly would be about \$100,000,000, as against their present revenue of about \$64,000,000.

POSTAL EXPRESS RAILWAY PAY.

The basis of the contracts of the railways with the express companies for the railway share is a percentage of the charge per package made by the express companies and a summary of the contract is added to this study as an appendix. When the package traverses more than one line compensation has to be made to the different railway companies for each such package, and the percentage going to each railway is computed in one of two ways—the mile prorate, in accordance with the length of the participating railway, or the rate prorate, giving each railway compensation as if there were as many shipments as participating railways, or both methods may be applicable to shipments over different lines.

The computation of railway compensation is monthly, and each bill of lading must be consulted and the percentage computed for this purpose. The labor of accounting for packages on one-line traffic is costly in the extreme, but when it is multiplied by two or more railways and two or more express lines the labor becomes stupendous. It is proposed to eliminate this waste of accounting to realize a saving the amount of which can hardly be justly stated in smaller terms than its total cost. Instead of computing the amount due each railway from each piece, the bill provides for weighing the express matter at stated times to determine its gross and average weight as a basis of payment to the railway. Let it be said that on a given line of railway the gross weight were found to be 50,000 tons and the gross railway revenue from it were \$750,000, or \$221 per mile. This weight and compensation would give the operative rate per pound under the respective contracts and a basis for future payments. This change in the method would be important for another reason, outside of the saving, which would make it imperative that the railways and the department adopt it. By it, even under the proposed reduced rates, the railways would be secured a fixed compensation per pound—that is, an average rate for the average railway of 0.74 out of the 1.12 cents per pound, or 66 per cent of the rate, giving the same gross revenue on the weight of traffic that they now receive. But if the rates were reduced and the compensation were computed according to the practice under the contracts, they would receive only 47.53 per cent of such reduced charges. Thus both parties

would have controlling financial motives to employ the gross weight rather than the piece method; for if the department urged the old method it would have the terrific accounting bill to pay, while the railways would have their compensation reduced by from \$4 to \$5 a ton on the basis of an unchanged percentage of rates reduced from one-quarter to one-third or more. As to a matter that appeals so strongly to the financial interests of both parties and involves an obvious public service, there can be no question that the method provided by the bill would prove more than acceptable. The railways themselves have come to show a reasonable attitude to the public, and that part of the public which gives attention to transportation matters is not willing that the railways should be plainly wronged.

During the life of these railway-express contracts, and they run for various periods, their terms, when thus acquired by the Government, would be scrupulously observed by both parties except as changed by mutual consent. That under the changed order of things they would be so changed for mutual advantage is certain. Whether before or after their expiration one of the changes not unlikely would be from the package basis of payment to the car-space and mileage standard with differential charges for less than full loads on the principle now applied to carload and less-than-carload freight. This would protect the railways on the lines of both light and heavy traffic and give the postal department practical liberty to adapt its rates to moving the largest economically feasible amount of traffic. However this may be, after the contracts expire the Postmaster General is empowered to make new ones and to guard against serious error. Appeals for all parties from these contracts are provided to the Interstate Commerce Commission, and from it to the Court of Commerce. A just conclusion is always to be desired, and under the circumstances an intelligent department and railway administration would hardly fail to see that the promotion of the traffic and the broadest extension of the public service would be the surest guaranties of profit to all concerned.

MISCELLANEOUS REMARKS.

Naturally there are minor features of the express business, as now conducted and as proposed, that have escaped discussion in this study. One of these is the money-order business. The postal system is so obviously fitted to discharge this work that further comment is not thought necessary, except to say that the bill specifically covers this feature.

It may, too, be suggested that no allowance has been made in the chapter on savings for the increased cost of placing the express employees on the postal plane of hours and wages. This very substantial feature has not been overlooked. It is considered that the low rates and the added rural traffic would double the business in a year, and from its increment much more than enough surplus income would flow to cover such items. What is actually expected is that the traffic in a few years would increase to about 16,000,000 tons per annum, including the country-to-town traffic now nonexistent. As the autotruck becomes cheapened and further simplified its use would be justified for reasons of economy and service.

Other features of the general subject are purposely omitted as tending to excite feeling only, while many of its incidents will await the developments of the discussion. It is thought that the controlling elements have been dealt with, and that the data necessary to form judgment upon the merits of the proposition have been presented.

POLITICAL FEASIBILITY.

Independently of the matter of fact disclosures brought out in this study which seem to have thus far escaped public notice, public dissatisfaction with the express company has reached the point of emphatic intolerance. I do not repeat or even refer to recent incidents and events, except to say that the express company employees and their compulsory patrons have shown and are showing this disposition. It is perhaps literally true, for various causes, that these companies have no friendly support except from their stockholders, and not from all of them; and when it is considered that the express company is not a normal transportation agency, but an economic parasite existing as a squatter on the postal function, and like other parasites feeding at an inordinate expense to the sustaining subject, it may be realized that this dissatisfaction is likely to last. One needs only to refer to the fact that only in the United States and its economic dependencies, Canada and Mexico, does the express company exist. The express part of the function elsewhere is always discharged by the post and the railway, the former performing the collect and delivery service in Belgium, Austria, and Germany up to the 110 limit, entailing but one profit, the railway profit, which, as we have seen, can be kept within bounds, and excluding the

express company profit, which, in its nature, defies prudent and effective reduction, although constituting an egregious percentage on the actual investment. When all this is taken with the exorbitant rates and the inadequate service the constant feeling of alienation of the public toward these companies is comprehensible enough. The people are demanding an effectual remedy and are ready to act. The Parcels Post Conference, called by the Postal Progress League, which met in Washington on the 25th of April, gave definite voice to this demand in the following resolution:

That this conference urges upon Congress that it favors the widest extension of the postal function of the Government in the form of a postal express for the carriage of parcels.

That among the essential features of such a system we feel called upon to insist upon the following:

1. Complete monopoly in the postal system for the transportation of all matter by law made mailable.
2. Rates therefor sufficient to pay the cost of the service.
3. Provision for the insurance of mail matter at reasonable rates.
4. And further, since the express companies under their contracts with the railways are securing an average rate of three-fourths of a cent per pound, and the Postal Department is paying an average of 4 cents per pound for mail matter, Congress is urged to consider whether the postal function should not properly be extended to include the express service, thus securing for the transportation of parcels the rail rates of the express companies, etc.

THE OPPOSITION.

To a large extent the railways are the stockholders. Their managers are sufficiently intelligent to understand inevitable tendencies. They know the status quo certainly involves reductions of the express rates by the Interstate Commerce Commission, which would automatically reduce the express-railway pay. If the reductions only amounted to 10 per cent, the railways would lose over \$6,000,000 in their compensation, since the express contracts provide not for fixed or pound compensation, but for a percentage of the express rates as collected. Moreover, the railways will also see that a system of postal express would inevitably treble the traffic, so that in a year or two the \$60,000,000 they now receive from this source would mount to over a hundred millions, at an inconsiderable additional cost to the plant. The railways will likely see, as well, a fine opportunity to substantially promote the public welfare, with results to themselves as beneficial as to the country at large.

There is no negative opposition—I mean there is no inertia of public opinion on the subject. There is perhaps no reform as to which there has been a longer, a more persistent, or a more general demand for congressional action; and perhaps there is no other single failure of Congress to gratify public demand that has produced so much of the spirit of distrust existing among thoughtful people toward their Representatives. Former Members of this House will, I am sure, appreciate the force of this statement.

APHORISTIC STATESMEN.

There is a growing suspicion of the intellectual fitness, if not of the sincerity, of public men who are so willing to serve the people during their campaigns, but who, in office, always meet proposals in the public interest with some killing adage or other, such as "The least government is the best government," "Concentration of power," "Paternalism," and so forth. These maxims, mostly invented in the eighteenth century, were designed to fight injustice and tyranny and not to defend them, to make government more democratic and its agencies more truly promotive of the public welfare. As adages they served their purposes at the time, but it is hardly sane to accept them now as scientific formulæ for the determination of twentieth-century programs of improvement and as substitutes for the consideration of measures on their merits. That the best modern thought discountenances such inconsiderate use of mere apothegms needs hardly to be proved, yet I am sure the reader will feel interested in an appendix to my remarks giving the views of America's foremost sociologist on this subject. I should not leave this paragraph without saying that the proposition is not new in any sense except in our provincial neglect to follow the examples of all other nations; that the post office would not be trespassing on an alien function, but merely extending its administration to fully cover a field of its own and discharging a function it alone can efficiently discharge.

ADVANTAGES OF POSTAL EXPRESS.

In three years under a postal administration it is believed that the reformed system will produce:

- (a) A minimum charge of 7 cents for the first pound, graduated to 17 cents for a 11-pound package, for average distances.
- (b) General reductions of about 28 per cent in all merchandise charges.

(c) The extension of the service to the out-of-town and agricultural population.

(d) The elevation of the employees to the plane of the postal service.

(e) The coordination of country supply of the vital necessities with urban demand by a cheap and regular collect and delivery service.

(f) As a result, a greater attractiveness in rural life and improved highways.

(g) In 10 years' time, with the development of the traffic, a reduction of rates to about one-half of the present rates.

It is as difficult to describe in detail the manifold economic and social results of a great agency like this as to give a bill of particulars of the benefits of the postal system. And in this connection it seems not irrelevant to suggest that a proper coordination of the railway mail with the railway express service may indeed render penny postage feasible. As things are now the rural free-delivery agency does not bring a direct fiscal return to pay for itself. In a few years, as the traffic develops in parcels and agricultural products, the proposed system would enable it to do so. This would assure a considerable financial gift to the account of penny postage.

THE AGRICULTURAL POST.

In the present state of things the truck farmer must devote a large part of his time to marketing; that is, to the transportation of his product, however little it may be, to the place of demand. He must also for this purpose provide himself with transportation facilities, however small his business. These involve a horse, and its maintenance and care, and a barn; and the expense of both during the unproductive seasons. And yet in a socio-economic sense his work and expense of transportation is the smallest element in his service to the public, although it requires the maximum of upkeep work and expense, if not of capital. The proposed postal collect and delivery eliminates all these, and would enable the truck farmer to enter into the business on a minimum of capital, and pursue it on a minimum of labor and expense. The field service of a horse he could hire as occasion might require. Thus the truck-farming industry would receive a necessary impetus and the cost of such foods be greatly reduced to the consumer, saying nothing of the advantage in quality coming from a speedier forwarding to the market by daily allotments instead of the delays now incurred to garner a worth-while load.

This application of postal express, with its thoroughly articulated service and regular schedules, may be taken as illustrative of the close relations which may be established between the rural producer and town consumer, as well as between producers and merchants generally. A most interesting monograph, "An agricultural parcels post," by the Hon. J. Henniker Heaton, M. P., is inserted among the appendices. While this subject is dealt with here in a few words, it is none the less true that the farm and suburban forms of production can be so articulated with the points of consumption as to prove of inestimable value to both. A lively description of the system in Germany, by the Hon. J. C. Monaghan, formerly American consul there and now of the Department of Commerce and Labor, is also given in the appendices.

It is manifestly unfair to the proposition to judge its social value on a mere computation of the savings in rates which may be made. While this saving would amount to some \$35,000,000 a year on the traffic of 1909, and from seventy to a hundred millions a year when the traffic reaches its normal dimensions, yet as large benefits will follow in clearing the prohibitive rate clogs from this necessary conduit of commerce that it may freely discharge its normal output, in placing the 50,000 express employees on a postal basis, in rendering it easier to engage in and market food production, to relieve the towns and cities of high prices for necessities of life, and relieve them, too, of the overplus of labor, and, perhaps, too, in aiding in reversing that tendency of population movement from the country to urban centers to which is due the most aggravated and most discouraging social problems of our time.

CONCLUSION.

I have approached this subject from the standpoint of a transportation economist, if I may assume so much, and may say that the bases of the study are much more than sustained by the facts. I do not think the step is radical, except, perhaps, in the sense of the country's doing rightly and thoroughly that thing which must be done by it in some way. Surely the people are entitled now, after two generations of deprivation, to a thorough system. The aggravated conditions of our high cost of

living, and the apparent connection of an agricultural rural and railway post with their practical relief, saying naught of the other necessities for such a system, seem to justify the means I have taken to present the subject to the country.

APPENDICES.

- Appendix A.—The bill and law notes.
- Appendix B.—Data of express and freight traffic in different countries.
- Appendix C.—Capital balance sheet of American express companies.
- Appendix D.—Cost per pound of postal railway mail.
- Appendix E.—Ten examples of actual express rates from 5 to 100 pounds, for distances of 36 to 3,600 miles.
- Appendix F.—Analysis of operating expenses of express companies and predicated savings.
- Appendix G.—Summary of express-railway contracts.
- Appendix H.—Pound and parcels express company data.
- Appendix I.—Monthly payment revenue and expenses.
- Appendix J.—Mileage covered by express companies.
- Appendix K.—Cost of real property and equipment.
- Appendix L.—Inventory value of equipment.
- Appendix M.—Operating income and expenditures.
- Appendix N.—Operating revenue.
- Appendix O.—American postal efficiency.
- Appendix P.—British, French, and German postal efficiency.
- Appendix Q.—Letter British Postmaster General on relative number of postal, telephone, and telegraph employees.
- Appendix R.—Service cost of American mail.
- Appendix S.—Examples of postal express.
- Appendix T.—Comparative express and freight traffic per capita in different countries.
- Appendix U.—The parcels-post system of Germany.
- Appendix V.—The parcels-post system in other countries.
- Appendix W.—An agricultural parcels post, by J. Henniker Heaton, M. P.
- Appendix X.—Express rates in Great Britain.
- Appendix Y.—Letter of Postmaster General: Number served by rural free delivery and by urban delivery.
- Appendix Z.—The sociological view.
- Appendix AA.—Summary of parcels-post bills.

APPENDIX A.

A bill providing for the condemnation and purchase of the franchises, etc., of the express companies of the United States and the establishment of postal express.

CONDEMNATION OF EXPRESS COMPANY FRANCHISES.

Be it enacted, etc., That in order to promote the postal service and more efficiently regulate commerce between the several States, the Territories of the United States, the District of Columbia, the possessions of the United States, and foreign nations, the contracts and agreements (note 1) and arrangements of the several express companies with the several railroad companies of the United States, its Territories, and the District of Columbia relating to the carriage and transportation (and storage and care) by such railroad company of parcels, packets, and packages, and other express matter, as well as the franchises, operating equipment, cars, vehicles, horses, buildings, leases, as lessees, of buildings used in the conduct of the express business, and all other property or rights and privileges owned and used by such express companies as necessary and appropriate to such dispatch, receipt, collection, delivery, or transportation of such parcels, packets, packages, and express matter are hereby declared to be, and the same are hereby, condemned and appropriated (note 2) to and for the use of the United States of America, to be used by it for such public purposes as may be proper in its various functions. That the words "express company" as used in this act shall be construed to include any corporation, individual, partnership, association, or joint-stock association (as far as) engaged in the dispatch of parcels, packets, packages, and other express matter by railway, express, or steamship, including the receipt, collection, or delivery of the same. And the words "railroad company" shall be construed to include any transportation agency as far as used as a post route or in carrying express matter (note 3). On and after July 1, 1912, any railroad, steamship, or other transportation agency having a contract with any express company subject to this act shall transport and carry for the Post Office Department all matter transportable under said contract, and shall execute and perform with respect to such Post Office Department all such duties as have been customary under such contract in relation to the express company or companies named therein, and shall permit its agents and employees to continue to discharge such services in respect thereto and upon like terms without interference on its part. And as to all matter transportable under such contract the Post Office Department shall have a monopoly of the express transportation therefor.

DUTY OF PRESIDENT AND POWERS OF POSTMASTER GENERAL.

SEC. 2. It shall be the duty of the President, on the 1st day of July, 1912, to take charge and possession of all the property of such express companies condemned and appropriated in section 1 of this act, in the name of and by the authority of the United States of America (note 4), and thereupon it shall be the duty of the Postmaster General to employ said property and facilities as hitherto employed, in conjunction with the postal service, and to henceforth conduct said express service; and he shall have power—

- (a) To devise classifications of parcels, packets, packages, and other shipments of postal-express matter, and to regulate the forms and conditions for the shipment thereof.
- (b) To fix the postal charges for collecting, receiving, transporting, by railroad or otherwise, and delivering of matter under paragraph a, and such charges may be entire for the whole service performed.
- (c) And he shall base such postal charges upon the amount of service to be rendered, considering distance transported and other service elements and risk involved therein, with a purpose of making the charges wholly adequate to paying the cost of the service, including interest charges.
- (d) To make all regulations which may be necessary for insuring payment of charges and the safe, expeditious, economical, and profitable administration of such postal express service.

(e) To make regulations defining the rights and duties of the employees in such service; and he shall retain, so far as necessary, those formerly employed by the express companies, who shall not be required to pass civil-service examination.

(f) To determine by regulation the wages payable to such employees, the sick leave or vacation periods, and the necessary qualifications of employees for service and promotion.

(g) To provide for a system of insurance of employees against accident, to be paid for by the department.

(h) To declare by rules under what circumstances, and to what extent, postal express matter may be insured against loss, and provide rates for the special insurance thereof, and rules for the indemnification of shippers.

(i) To make agreements with carrying railroads or other agencies of transportation, for the carriage or extension of service, of such postal express matter, subject to the appeal hereinafter provided, to the Interstate Commerce Commission.

(j) To establish, from time to time, and in such places as he may by rule determine, rural collection and delivery, and urban collection and delivery, for such parcels, packets, packages, and postal matter and express matter as he may determine upon, and under such regulations as to rates and conditions of carriage thereof as he may deem prudent.

(k) To provide as far as possible for the exemption of postal express employees from labor on the Sabbath.

(l) To make all other regulations necessary for the efficient and economical operation of the service, and to provide all means necessary for the safe and expeditious transportation and forwarding of money and credit, to any amount, and to fix the rates therefor, and to make all regulations deemed essential thereto, and to provide means to discharge all other functions, which he may deem proper, hitherto discharged by express companies, and to make any regulations deemed essential in relation thereto.

But from any action of the Postmaster General in declaring regulations under paragraphs (a), (b), (c), (d), (f), and (j) hereof, an appeal shall lie by any party competent under the act to regulate commerce to the Interstate Commerce Commission, which shall have power to revise and amend the said regulations. The Postmaster General shall also have power to rent, lease, or purchase real estate and personal property, supplies, cars, and equipment for use by his department in the operation of such postal express. He shall have power to condemn in the name of the United States any property, real, personal, or mixed, which he may deem necessary for the efficient operation of the service, but the said Interstate Commerce Commission shall first value and file its award therefor, as hereinbefore provided.

COMPENSATION FOR RAILROAD TRANSPORTATION.

SEC. 3. During the months of August and December, 1911, and April, 1912, the weights of matter carried over the respective railroads under contracts with the express companies (during the pendency thereof) shall be carefully taken for each railroad company in respect to such contract; and the amount of money paid for the carriage thereof shall be divided by the mileage of such railway over which such matter is carried; and thereafter the Postmaster General shall, if the railroad company consent thereto, cause to be paid to such railroad company the amount per mile owing to such railroad under such contract as thus computed; and thereafter, annually, at such times as may be determined upon by the Postmaster General, such matter shall be weighed, and the railroad company shall be paid monthly for the excess weight carried by it, over the first weighing herein provided, such sums as may be agreed upon for such excess weights; but if said Postmaster General and such railroad company shall fail to agree upon a different basis of compensation for such excess weights, then the same shall be paid for according to the terms and provisions of the contract condemned in such case.

RENEWAL OF TRANSPORTATION CONTRACTS.

SEC. 4. At the expiration of any contract between an express company and a railroad, condemned by this act (or at any time before, if such railroad company shall consent thereto), the Postmaster General may contract with such railroad company for the transportation of postal express matter; and, if deemed advantageous, upon cars provided by the department, which may be transferred without unloading onto the lines of other railroad companies, and at such rate of compensation and upon such principles of computation thereof, by car or car space mileage, or otherwise, as may be agreed upon. But an appeal shall lie, for the purpose of review, to the Interstate Commerce Commission by any party competent under the act to regulate commerce from such contract, whereupon the Interstate Commerce Commission shall have the power to revise and amend and define and declare the terms and conditions of said contract. And in case the Postmaster General and such railroad company, after the expiration of the contract with an express company, shall fail to agree upon the terms and provisions of the renewal thereof, they shall submit their respective contentions and propositions with reference thereto, to the said Interstate Commerce Commission, which shall thereupon have plenary power to declare the terms and provisions which said contract shall contain. And from any determination with respect to any contract the terms and provisions of which have been declared by the said Interstate Commerce Commission under this section, an appeal shall lie to the Court of Commerce, which shall enjoy like power to revise and amend the same.

APPRAISEMENT OF EXPRESS COMPANY FRANCHISES, ETC.

SEC. 5. Immediately after the passage of this act it shall be the duty of the Interstate Commerce Commission to appraise (note 5) at their true market values the contracts, agreements, franchises, equipment, buildings, and other property of whatsoever kind, condemned and appropriated by the United States in section 1 of this act, and award to the respective express companies just compensation therefor. Each commissioner shall take oath to justly perform such duty before some judge of the courts of the United States. The said Interstate Commerce Commission shall have power and it shall be its duty to summon witnesses, with books and papers, before it for either of the parties and require such witnesses to testify, and it shall give to each party a full hearing with reference to the amount of compensation which shall be awarded to each express company under this act; and it shall be the

duty of such commission, on or before the 7th day of May, 1912, to file a separate award of appraisal, giving just compensation to each express company for its property condemned under this act, and give notice of the filing of such award to the Postmaster General and to such express company. And if either party shall be dissatisfied with the amount of said award, the same may, on appeal by either party, be reviewed and revised by the Court of Commerce, sitting as a court of review, with respect thereto; and from its determination a further appeal may lie on behalf of either of the parties to the Supreme Court of the United States, to determine the amount of the just compensation to which said express company shall be entitled.

PROVISIONS FOR COMPENSATION OF EXPRESS COMPANIES.

SEC. 6. The Secretary of the Treasury is hereby authorized and directed to make payment to such express companies of the money adjudged to be due them as aforesaid out of the Treasury of the United States, and said express companies shall be entitled to payment of such final award as compensation from the Treasury of the United States, and the amounts of said award are hereby appropriated to the parties entitled thereto out of the Treasury of the United States. Any party interested in the distribution of such compensation money may petition the circuit court of the United States having jurisdiction of the subject matter, which court shall thereupon distribute the compensation directly by proper audits to the several stockholders, bondholders, partners, or individuals entitled thereto; and in such cases the Treasurer of the United States shall pay out such compensation as such court may direct; and the parties to whom the same may be paid shall assign their rights unto the United States with reference thereto, whereupon the United States shall enjoy the same rights and the same power under the same as the assignor enjoyed prior to such condemnation.

ISSUE OF BONDS AND REDEMPTION OF THE SAME.

SEC. 7. The Secretary of the Treasury shall cause to be issued in proper form the bonds of the United States of America in a sum equal to the aggregate valuation of such express companies, as determined by the awards hereinbefore provided for. Said bonds shall be payable within 40 years from the date of issue and bear interest at the rate of — per cent, and such Treasurer shall maintain a fund for the pay-

ment of such interest and the redemption of the bonds issued under this act; and for such purpose the Postmaster General shall pay out of the receipts of his department, under the Secretary of the Treasury, a sum equal to such interest and a redemption sum equal to 1 per cent of the aggregate awards to such express companies each year, which sum shall be payable quarterly. The said fund shall be invested from time to time in such securities as the Secretary of the Treasury may deem secure and profitable. The sum of \$250,000, or so much thereof as may be necessary, is hereby appropriated out of the Treasury of the United States to the Postmaster General and the Department of Justice, to be used, so far as necessary, upon their order, in defraying the expense incident to acquiring such property.

NOTES.

Note 1, section 1: "Contracts are property, and as such may be condemned and taken under the law of eminent domain." (10 Am. and Eng. Ency., p. 1089; Dodge v. Woolsey, 18 Howard (U. S.), 379; Nichols on Eminent Domain, sec. 315.)

Note 2, section 1: The United States possesses the power of eminent domain, which it may exercise to promote any of its constitutional powers. (10 Am. and Eng. Ency., p. 1051; Kohl v. U. S., 91 U. S., 367; 15 Cyc., p. 564-565.) The United States may condemn interstate railways. (Nichols on Eminent Domain, sec. 23; Wilson v. Shaw, 204 U. S., 24; Monongahela case, 148 U. S., 341-342.)

Note 3, section 1: This power of condemnation may be exercised directly by the legislative branch. The only limitation is that just compensation shall be provided for. (10 Am. and Eng. Ency., p. 1068; Secombe v. Milwaukee, 23 Wall., 108.)

Note 4, section 2: In those cases where the condemnor is the sovereign the compensation need not be tendered or ascertained in advance of the taking. It is only necessary that adequate provision be made for compensation. (10 Am. and Eng. Ency., p. 1142, note 2; Nichols on Eminent Domain, sec. 263; Sweet v. Rechel, 159 U. S., 380; Williams v. Parker, 188 U. S., 491.)

Note 5, section 5: The owner of property condemned by the United States is not entitled to a jury, but commissioners may determine the amount of compensation, etc. (Nichols on Eminent Domain, secs. 302, 306; U. S. v. Jones, 109 U. S., 518, 569; 169 U. S., 567; 11 Peters, 420, 571; 148 U. S., 312, 327.)

APPENDIX B.

Comparison of express rates with freight rates.

[All data has been taken from original railway reports of the countries named.]

Countries.	Year.	Express.				Freight.				Ratio express charges to freight charges.
		Tons.	Receipts.	Average journey (miles).	Average charge per ton.	Tons.	Receipts.	Average journey (miles).	Average charge per ton.	
Argentina.....	1909	534,704	\$3,384,151	93.7	\$6.51	34,270,113	\$67,115,568	121.0	\$1.95	3.2 : 1
Austria.....	1908	1,633,276	6,169,612	63.9	3.77	158,031,039	117,839,732	58.0	.738	5.0 : 1
Belgium ¹	1909	724,481	3,565,509	49.4	4.92	59,551,766	31,348,583	49.4	.526	9.3 : 1
Denmark.....	1909	53,595	294,273	72.9	5.49	5,238,109	4,567,325	53.0	.871	6.3 : 1
France.....	1908	2,741,931	18,873,400	75.7	6.88	160,825,570	154,366,000	75.7	.953	7.2 : 1
Germany.....	1908	4,424,593	16,873,455	67.3	3.80	504,062,818	382,406,892	61.6	.758	5.0 : 1
Hungary.....	1908	708,778	2,614,640	70.9	3.68	57,880,670	54,045,502	70.9	.933	3.9 : 1
Netherlands.....	1908	109,976	267,161	50.3	2.43	4,635,492	3,114,578	69.8	.673	3.6 : 1
Norway ¹	1909	161,334	306,667	48.5	1.90	5,820,490	2,850,878	34.0	.491	3.8 : 1
Prussia.....	1908	2,779,626	2,018,942	84.2	4.32	314,848,543	273,617,562	69.3	.868	5.0 : 1
United States.....	1909	² 1,139,074	² 35,477,111	(³)	31.20	881,334,385	1,677,614,678	251.0	1.90	16.42 : 1

¹ Delivers express matter to consignees.

² Includes three months only—April, August, and December.

³ No data.

APPENDIX C.

General balance-sheet statement as of June 30, 1909.

[Annual report express companies.]

Assets:	
Expenditures for real property.....	\$14,932,169.94
Expenditures for equipment.....	7,381,405.59
Stocks owned.....	40,912,980.55
Funded debt owned.....	45,955,672.54
Other permanent investments.....	25,438,584.11
Cash and current assets.....	33,682,608.88
Materials and supplies.....	138,210.78
Sinking, insurance, and other funds.....	128,491.83
Advance payments on contracts.....	5,836,666.67
Franchises, good will, etc.....	10,877,369.74
Other assets.....	846,090.33
Profit and loss.....	91,129.58
Total assets.....	186,221,380.54
Liabilities:	
Capital stock.....	53,350,700.00
Funded debt.....	36,000,000.00
Current liabilities.....	24,980,828.23
Other liabilities.....	21,273,493.78
Profit and loss.....	50,616,358.53
Total liabilities.....	186,221,380.54

APPENDIX D.

POSTAL RAILWAY MAIL PAY PER POUND.

There is a most exhaustive report on postal operations, published in 1910, called Cost of Transporting and Handling the Several Classes of Mail Matter, etc. Page 8 gives the weight of freight and domestic mail, excluding local, as 1,204,080,927 pounds; and pages 7 and 10 give the items of \$44,267,507.13 and \$4,638,971.51, respectively, as the amounts of compensation paid for railroad service and railroad post-office car service, or a total of \$48,906,478.64. Dividing this sum by the number of pounds of mail we have 4.06, or practically 4 cents a pound. The above weight excludes the equipment, and so the weights given for the express companies also excludes the equipment, such as steel safes, etc. On substantially all the main lines of postal traffic the minimum scale of railway pay has been reached, so that the postal traffic as at present would not materially reduce the rate per pound. On page 8 of the report the average haul of third and fourth class mail is given as 672 and 687 miles, respectively, making an average of 679.5 miles. The assumed haul of express is 196 miles, although it is likely about 300, and the pay to the railways 0.74 of a cent a pound. On the principle of the rate declension for lengthening hauls, elsewhere discussed, as the square root of 196 is 14 and of 679.5 is 26.06, parcels traveling 196 miles on present postal railway pay would cost 2.18 cents a pound, or nearly three times as much as (0.74) the express companies pay; while if the express haul is 300 miles, as believed, the cost would be 2.70 cents per pound, or just three and one-half times as much as the express companies pay the railways for their kind of service. The average charge per pound of the express companies is 1½ (1.56) cents per pound for the average haul of their matter; and since under the various parcels-post schemes the Government would have to pay the railways from 30 per cent to 90 per cent more than the whole express rate to the shipper for that part of the expense alone, it is obvious that it would, under such schemes, have to charge the public rates about twice as high as the express rates now complained of.

APPENDIX E.

Statement showing express merchandise rates on parcels weighing 5, 10, 20, 30, 40, 50, 60, 70, 80, 90, and 100 pounds, between various points as shown below, together with distance.

[Interstate Commerce Commission, Bureau of Tariffs, May 17, 1911.]

Between—	And—	Distance, in miles.	5 pounds.	10 pounds.	20 pounds.	30 pounds.	40 pounds.	50 pounds.	60 pounds.	70 pounds.	80 pounds.	90 pounds.	100 pounds.
Boston, Mass.....	Taunton, Mass.....	36	\$0.20	\$0.20	\$0.25	\$0.25	\$0.30	\$0.30	\$0.35	\$0.35	\$0.40	\$0.40	\$0.40
	Portsmouth, N. H.....	57	.25	.30	.30	.35	.40	.45	.50	.50	.50	.50	.50
	Biddeford, Me.....	100	.25	.30	.30	.35	.40	.45	.50	.50	.50	.50	.50
	White River Junction, Vt.....	145	.35	.40	.45	.55	.60	.70	.80	.90	1.00	1.00	1.00
	Hudson, N. Y.....	194	.40	.45	.50	.60	.70	.80	.90	1.00	1.00	1.00	1.00
	Orono, Me.....	200	.35	.40	.50	.55	.65	.75	.90	1.00	1.25	1.25	1.25
	Philadelphia, Pa.....	326	.40	.50	.60	.70	.80	1.00	1.10	1.25	1.25	1.25	1.25
	Elmira, N. Y.....	402	.45	.55	.70	.80	.90	1.00	1.20	1.40	1.50	1.50	1.50
	Chambersburg, Pa.....	482	.55	.70	.85	1.00	1.00	1.00	1.20	1.40	1.60	1.80	2.00
	Norfolk, Va.....	582	.55	.70	.85	1.00	1.00	1.00	1.20	1.40	1.60	1.80	2.00
	Cleveland, Ohio.....	682	.50	.60	.75	.90	1.00	1.00	1.20	1.40	1.60	1.75	1.75
	Toledo, Ohio.....	795	.55	.70	.85	1.00	1.00	1.00	1.20	1.40	1.60	1.80	2.00
	Huntington, W. Va.....	901	.60	.75	1.00	1.13	1.13	1.13	1.35	1.58	1.80	2.03	2.25
	Lexington, Ky.....	1,027	.60	.75	1.00	1.15	1.25	1.25	1.50	1.75	2.00	2.25	2.50
	Freeport, Ill.....	1,148	.70	.90	1.20	1.50	1.75	1.75	2.10	2.45	2.80	3.15	3.50
	Keokuk, Iowa.....	1,293	.70	1.00	1.25	1.60	1.85	1.88	2.25	2.63	3.00	3.38	3.75
	Ironwood, Mich.....	1,448	.75	1.00	1.30	1.70	2.00	2.25	2.70	3.15	3.60	4.05	4.50
	New Orleans, La.....	1,607	.75	1.10	1.40	1.75	2.25	2.50	3.00	3.50	4.00	4.50	5.00
	Deming, N. Mex.....	2,502	.80	1.40	2.30	3.25	4.15	4.75	5.70	6.65	7.60	8.55	9.50
San Diego, Cal.....	3,355	.80	1.50	2.85	4.20	5.60	6.75	8.10	9.45	10.80	12.15	13.50	
New York, N. Y.....	Tuxedo, N. Y.....	39	.35	.40	.40	.50	.55	.60	.70	.75	.75	.75	.75
	Bordentown, N. J.....	63	.35	.40	.40	.50	.55	.60	.70	.75	.75	.75	.75
	Bristol, Conn.....	105	.30	.35	.35	.45	.50	.55	.65	.75	.75	.75	.75
	Chicopee Falls, Mass.....	145	.35	.40	.45	.55	.60	.70	.80	.90	1.00	1.00	1.00
	Pawtucket, R. I.....	195	.35	.40	.45	.55	.60	.70	.80	.90	1.00	1.00	1.00
	Cortland, N. Y.....	251	.40	.45	.50	.60	.70	.80	.90	1.00	1.00	1.00	1.00
	Auburn, N. Y.....	319	.40	.50	.60	.70	.80	1.00	1.10	1.25	1.25	1.25	1.25
	Somerset, Pa.....	402	.45	.55	.70	.80	.90	1.00	1.20	1.40	1.50	1.50	1.50
	East Liverpool, Ohio.....	488	.50	.60	.75	.90	1.00	1.00	1.20	1.40	1.60	1.75	1.75
	Sutton, W. Va.....	573	.50	.60	.75	.90	1.00	1.00	1.20	1.40	1.60	1.75	1.75
	Williamson, W. Va.....	668	.65	.80	1.10	1.30	1.50	1.50	1.80	2.10	2.40	2.70	3.00
	Marion, Ind.....	794	.60	.75	1.00	1.15	1.25	1.25	1.50	1.75	2.00	2.25	2.50
	Terre Haute, Ind.....	897	.65	.80	1.10	1.30	1.38	1.38	1.65	1.93	2.20	2.48	2.75
	Freeport, Ill.....	1,026	.70	.90	1.20	1.50	1.75	1.75	2.10	2.45	2.80	3.15	3.50
	Prairie du Chien, Wis.....	1,151	.70	1.00	1.25	1.60	1.85	2.00	2.40	2.80	3.20	3.60	4.00
	Elk Point, S. Dak.....	1,443	.75	1.10	1.40	1.75	2.25	2.38	2.85	3.33	3.80	4.28	4.75
	Oklahoma City, Okla.....	1,608	.75	1.15	1.65	2.10	2.75	2.88	3.45	4.03	4.60	5.18	5.75
	Garrison, Mont.....	2,503	.80	1.40	2.60	3.65	4.65	5.25	6.30	7.35	8.40	9.45	10.50
	San Diego, Cal.....	3,231	.80	1.50	2.85	4.20	5.60	6.75	8.10	9.45	10.80	12.15	13.50
Baltimore, Md.....	Havre de Grace, Md.....	36	.25	.30	.30	.40	.45	.50	.50	.50	.50	.50	.50
	Porters, Del.....	64	.35	.40	.40	.50	.55	.60	.70	.75	.75	.75	.75
	Carlisle, Pa.....	104	.40	.45	.50	.60	.70	.80	.90	1.00	1.00	1.00	1.00
	Reading, Pa.....	139	.40	.45	.50	.60	.70	.80	.90	1.00	1.00	1.00	1.00
	Wilkes-Barre, Pa.....	202	.40	.50	.60	.70	.80	1.00	1.10	1.25	1.25	1.25	1.25
	Elmira, N. Y.....	256	.40	.50	.60	.70	.80	1.00	1.10	1.25	1.25	1.25	1.25
	New London, Conn.....	315	.45	.55	.70	.80	.90	1.00	1.20	1.40	1.50	1.50	1.50
	Wilmington, N. C.....	400	.55	.70	.85	1.00	1.00	1.00	1.20	1.40	1.60	1.80	2.00
	Ashland, Ky.....	494	.55	.70	.85	1.00	1.00	1.00	1.20	1.40	1.60	1.80	2.00
	Dayton, Ohio.....	580	.50	.60	.75	.90	1.00	1.00	1.20	1.40	1.60	1.75	1.75
	Jackson, Ky.....	660	.65	.80	1.10	1.30	1.50	1.50	1.80	2.10	2.40	2.70	3.00
	Vincennes, Ind.....	784	.60	.75	1.00	1.15	1.25	1.25	1.50	1.75	2.00	2.25	2.50
	Petoskey, Mich.....	915	.70	.90	1.20	1.50	1.63	1.63	1.95	2.28	2.60	2.93	3.25
	Pensacola, Fla.....	1,026	.75	1.10	1.40	1.75	2.25	2.50	3.00	3.50	4.00	4.50	5.00
	Des Moines, Iowa.....	1,100	.70	1.00	1.25	1.60	1.85	2.00	2.40	2.80	3.20	3.60	4.00
	Omaha, Nebr.....	1,295	.75	1.00	1.30	1.70	2.00	2.25	2.70	3.15	3.60	4.05	4.50
	Oklahoma City, Okla.....	1,456	.75	1.15	1.65	2.10	2.65	2.75	3.30	3.85	4.40	4.95	5.50
	Galveston, Tex.....	1,594	.80	1.20	1.75	2.30	3.15	3.25	3.75	4.38	5.00	5.63	6.25
	Atlanta, Ga.....	Missoula, Mont.....	2,467	.80	1.40	2.60	3.65	4.65	5.25	6.15	7.18	8.20	9.23	10.25
Seattle, Wash.....		3,026	.80	1.50	2.85	4.20	5.60	6.75	8.10	9.45	10.80	12.15	13.50
Newnan, Ga.....		39	.30	.35	.35	.45	.50	.55	.60	.60	.60	.60	.60
Louise, Ga.....		64	.35	.40	.40	.50	.55	.60	.70	.75	.75	.75	.75
Anniston, Ala.....		104	.40	.45	.50	.60	.70	.80	.90	1.00	1.00	1.00	1.00
Seale, Ala.....		146	.45	.55	.70	.80	.90	1.00	1.20	1.40	1.50	1.50	1.50
Knoxville, Tenn.....		197	.40	.50	.60	.70	.80	1.00	1.10	1.25	1.25	1.25	1.25
Orangeburg, S. C.....		254	.55	.70	.85	1.00	1.00	1.00	1.20	1.40	1.60	1.80	2.00
London, Ky.....		316	.50	.60	.75	.90	1.00	1.00	1.20	1.40	1.60	1.75	1.75
Nicholasville, Ky.....		368	.60	.75	1.00	1.13	1.13	1.13	1.35	1.58	1.80	2.03	2.25
Cincinnati, Ohio.....		483	.60	.75	1.00	1.15	1.25	1.25	1.50	1.75	2.00	2.25	2.50
Port Tampa, Fla.....		572	.70	.90	1.20	1.60	1.75	1.75	2.04	2.38	2.72	3.06	3.40
Sandusky, Ohio.....		690	.70	.90	1.20	1.60	1.75	1.75	2.10	2.45	2.80	3.15	3.50
Davenport, Iowa.....		787	.75	1.10	1.40	1.75	2.25	2.38	2.85	3.33	3.80	4.28	4.75
Dubuque, Iowa.....		900	.75	1.10	1.40	1.75	2.25	2.50	3.00	3.50	4.00	4.50	5.00
Mackinaw City, Mich.....		1,022	.75	1.00	1.30	1.70	2.00	2.13	2.55	2.98	3.40	3.83	4.25
Minneapolis, Minn.....		1,153	.75	1.15	1.65	2.10	2.75	3.00	3.45	4.03	4.60	5.18	5.75
Wadena, Minn.....		1,302	.80	1.20	1.75	2.30	3.25	3.50	3.99	4.66	5.32	5.99	6.66
St. Paul, Minn.....		Valley City, N. Dak.....	1,440	.80	1.25	2.00	2.75	3.50	3.75	4.50	5.25	6.00	6.75	7.50
	Longmont, Colo.....	1,561	.80	1.25	2.00	3.00	3.75	4.50	5.25	6.13	7.00	7.88	8.75
	Los Angeles, Cal.....	2,503	.80	1.40	2.75	4.00	5.25	6.25	7.85	8.58	9.80	11.03	12.25
	Seattle, Wash.....	2,943	.85	1.65	3.00	4.50	6.00	7.25	8.55	9.98	11.40	12.83	14.25
	Dayton, Minn.....	35	.25	.30	.30	.40	.40	.40	.40	.40	.40	.40	.40
	Clear Lake, Minn.....	64	.25	.30	.30	.40	.40	.45	.45	.50	.50	.50	.50
	Gregory, Minn.....	103	.35	.40	.40	.50	.55	.60	.65	.65	.65	.65	.65
	Staples, Minn.....	142	.40	.45	.50	.60	.70	.80	.85	.85	.85	.85	.85
	Frazee, Minn.....	194	.40	.50	.60	.70	.80	1.00	1.10	1.10	1.10	1.10	1.10
	Fargo, N. Dak.....	250	.40	.50	.60	.70	.80	1.00	1.10	1.25	1.25	1.25	1.25
	Eckelson, N. Dak.....	325	.55	.70	.85	1.00	1.00	1.00	1.20	1.40	1.60	1.80	2.00
	Steele, N. Dak.....	401	.60	.75	1.00	1.13	1.13	1.13	1.35	1.58	1.80	2.03	2.25
	Sims, N. Dak.....	496	.65	.80	1.10	1.30	1.50	1.50	1.80	2.10	2.40	2.70	3.00
	Bellevue, N. Dak.....	580	.70	.90	1.20	1.50	1.63	1.63	1.95	2.28	2.60	2.93	3.25
	Hoyt, Mont.....	681	.70	1.00	1.25	1.60	1.85	1.88	2.25	2.63	3.00	3.38	3.75
	Forsythe, Mont.....	790	.75	1.00	1.30	1.70	2.00	2.13	2.55	2.98	3.40	3.83	4.25
	Billings, Mont.....	892	.75	1.10	1.40	1.75	2.25	2.50	3.00	3.50	4.00	4.50	5.00
	Che												

Statement showing express merchandise rates on parcels weighing 5, 10, 20, 30, 40, 50, 60, 70, 80, 90, and 100 pounds, between various points as shown below, etc.—Continued.

Between—	And—	Distance, in miles.	5 pounds.	10 pounds.	20 pounds.	30 pounds.	40 pounds.	50 pounds.	60 pounds.	70 pounds.	80 pounds.	90 pounds.	100 pounds.	
Chicago, Ill.	Aurora, Ill.	37	\$0.30	\$0.35	\$0.35	\$0.45	\$0.50	\$0.55	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	
	Harvard, Ill.	63	.30	.35	.35	.45	.50	.55	.60	.60	.60	.60	.60	
	Afton, Wis.	99	.40	.45	.50	.60	.70	.80	.90	1.00	1.00	1.00	1.00	
	Crawfordville, Ind.	148	.40	.45	.50	.60	.70	.80	.90	1.00	1.00	1.00	1.00	
	Green Bay, Wis.	197	.40	.50	.60	.70	.80	1.00	1.10	1.25	1.25	1.25	1.25	
	Alton, Ill.	257	.40	.50	.60	.70	.80	1.00	1.10	1.25	1.25	1.25	1.25	
	Bay City, Mich.	324	.50	.60	.75	.90	1.00	1.00	1.20	1.40	1.60	1.75	1.75	
	Algona, Iowa	401	.55	.70	.85	1.00	1.00	1.00	1.20	1.40	1.60	1.80	2.00	
	Blair, Nebr.	481	.55	.70	.85	1.00	1.00	1.00	1.20	1.40	1.60	1.80	2.00	
	Clarksburg, W. Va.	577	.55	.70	.85	1.00	1.00	1.00	1.20	1.40	1.60	1.80	2.00	
	Chamberlain, S. Dak.	680	.70	.90	1.20	1.50	1.75	1.75	2.10	2.45	2.80	3.15	3.50	
	Scranton, Pa.	790	.60	.75	1.00	1.15	1.25	1.50	1.50	1.75	2.00	2.25	2.50	
	New York, N. Y.	912	.60	.75	1.00	1.15	1.25	1.50	1.50	1.75	2.00	2.25	2.50	
	Providence, R. I.	1,034	.60	.75	1.00	1.15	1.25	1.50	1.50	1.75	2.00	2.25	2.50	
	Portland, Me.	1,140	.65	.80	1.10	1.30	1.50	1.50	1.80	2.10	2.40	2.70	3.00	
	Santa Fe, N. Mex.	1,327	.80	1.25	2.00	2.75	3.50	3.63	4.35	5.08	5.80	6.53	7.25	
	El Paso, Tex.	1,465	.80	1.20	1.75	2.50	3.25	3.50	4.20	4.90	5.60	6.30	7.00	
	Garrison, Mont.	1,591	.80	1.25	2.00	2.75	3.50	4.00	4.80	5.60	6.40	7.20	8.00	
	New Orleans, La.	San Diego, Cal.	2,347	.80	1.40	2.75	4.00	5.15	5.75	6.90	8.05	9.20	10.35	11.50
		Garyville, La.	37	.30	.35	.35	.45	.50	.55	.60	.60	.60	.60	.60
Burnside, La.		62	.35	.40	.40	.50	.55	.60	.70	.75	.75	.75	.75	
Baker, La.		100	.40	.45	.50	.60	.70	.80	.90	.90	.90	.90	.90	
Gloster, Miss.		144	.40	.50	.60	.70	.80	1.00	1.10	1.25	1.25	1.25	1.25	
Lorman, Miss.		194	.40	.50	.60	.70	.80	1.00	1.10	1.25	1.25	1.25	1.25	
Georgiana, Ala.		259	.45	.55	.70	.80	.90	1.00	1.20	1.40	1.40	1.40	1.40	
Pope, Miss.		327	.45	.55	.70	.80	.90	1.00	1.20	1.40	1.50	1.50	1.50	
Memphis, Tenn.		396	.50	.60	.75	.90	1.00	1.00	1.20	1.40	1.60	1.75	1.75	
Newbern, Tenn.		481	.55	.70	.85	1.00	1.00	1.00	1.20	1.40	1.60	1.80	2.00	
Calvert, Ky.		577	.60	.75	1.00	1.15	1.25	1.25	1.50	1.75	2.00	2.35	2.50	
Beaver Dam, Ky.		678	.65	.80	1.10	1.30	1.38	1.38	1.65	1.93	2.20	2.48	2.75	
Louisville, Ky.		787	.65	.80	1.10	1.30	1.50	1.50	1.80	2.10	2.40	2.70	3.00	
Monroe, Ill.		898	.70	1.00	1.25	1.60	1.85	1.88	2.25	2.63	3.00	3.38	3.75	
Des Moines, Iowa		1,039	.75	1.10	1.40	1.75	2.25	2.38	2.85	3.33	3.80	4.28	4.75	
Pittsburg, Pa.		1,148	.75	1.00	1.30	1.70	2.00	2.13	2.55	2.98	3.40	3.83	4.25	
Suspension Bridge, N. Y.		1,305	.75	1.10	1.40	1.75	2.25	2.38	2.85	3.33	3.80	4.28	4.75	
Oswego, N. Y.		1,456	.75	1.10	1.40	1.75	2.25	2.38	2.85	3.33	3.80	4.28	4.75	
Worcester, Mass.		1,565	.75	1.10	1.40	1.75	2.25	2.50	3.00	3.50	4.00	4.50	5.00	
Denver, Colo.		San Francisco, Cal.	2,482	.80	1.40	2.30	3.25	4.15	4.75	5.70	6.65	7.60	8.55	9.50
	Castle Rock, Colo.	33	.25	.30	.30	.40	.40	.45	.50	.50	.50	.50	.50	
	Eastonville, Colo.	64	.35	.40	.40	.50	.55	.60	.70	.75	.75	.75	.75	
	Snyder, Colo.	101	.40	.50	.60	.70	.80	1.00	1.10	1.25	1.25	1.25	1.25	
	Leadville, Colo.	151	.60	.75	1.00	1.13	1.13	1.13	1.35	1.58	1.80	2.03	2.25	
	Cheraw, Colo.	198	.50	.60	.75	.90	1.00	1.00	1.20	1.40	1.60	1.75	1.75	
	Hemingford, Nebr.	257	.60	.75	1.00	1.13	1.13	1.13	1.35	1.58	1.80	2.03	2.25	
	Creede, Colo.	321	.65	.80	1.10	1.30	1.38	1.38	1.65	1.93	2.20	2.48	2.75	
	Santa Fe, N. Mex.	405	.60	.75	1.00	1.15	1.25	1.25	1.50	1.75	2.00	2.25	2.50	
	Lincoln, Nebr.	483	.70	.90	1.20	1.50	1.75	1.75	2.10	2.45	2.80	3.15	3.50	
	Topeka, Kans.	572	.70	.90	1.20	1.50	1.75	1.75	2.10	2.45	2.80	3.15	3.50	
	Wingate, N. Mex.	678	.75	1.15	1.65	2.10	2.63	2.63	3.15	3.68	4.20	4.73	5.25	
	El Paso, Tex.	783	.75	1.15	1.65	2.10	2.63	2.63	3.15	3.68	4.20	4.73	5.25	
	Peoria, Ill.	908	.75	1.15	1.65	2.10	2.63	2.63	3.15	3.68	4.20	4.73	5.25	
	Texarkana, Ark.	1,049	.75	1.15	1.65	2.10	2.75	3.00	3.60	4.20	4.80	5.40	6.00	
	Indianapolis, Ind.	1,156	.80	1.20	1.75	2.50	3.13	3.13	3.75	4.38	5.00	5.63	6.25	
	Detroit, Mich.	1,290	.80	1.20	1.75	2.50	3.25	3.38	4.05	4.76	5.40	6.08	6.75	
	Mackinaw, Mich.	1,434	.80	1.25	2.00	2.75	3.50	3.88	4.65	5.33	6.20	6.98	7.75	
	Seattle, Wash.	Rochester, N. Y.	1,621	.80	1.25	2.00	2.75	3.50	3.75	4.50	5.25	6.00	6.75	7.50
		Snohomish, Wash.	38	.25	.30	.30	.40	.40	.45	.50	.50	.50	.50	.50
Arlington, Wash.		60	.40	.45	.50	.60	.70	.80	.90	.90	.90	.90	.90	
Bellingham, Wash.		97	.40	.50	.60	.70	.80	1.00	1.10	1.25	1.25	1.25	1.25	
Aberdeen, Wash.		145	.40	.50	.60	.70	.80	1.00	1.10	1.25	1.25	1.25	1.25	
Clachamas, Oreg.		196	.50	.60	.75	.90	1.00	1.00	1.20	1.40	1.60	1.85	2.05	
Pasco, Wash.		255	.65	.80	1.10	1.30	1.38	1.38	1.65	1.93	2.20	2.48	2.75	
Creswell, Oreg.		320	.60	.75	1.00	1.13	1.13	1.13	1.29	1.51	1.72	1.94	2.15	
Sand Point, Idaho.		414	.70	1.00	1.25	1.60	1.85	2.00	2.40	2.80	3.20	3.60	4.00	
Cobden, Mont.		483	.75	1.00	1.30	1.70	2.00	2.25	2.70	3.15	3.60	4.05	4.50	
Bearmouth, Mont.		575	.75	1.10	1.40	1.75	2.25	2.50	3.00	3.50	4.00	4.50	5.00	
Donald, Mont.		675	.75	1.15	1.65	2.10	2.65	2.75	3.30	3.85	4.40	4.95	5.50	
Helena, Mont.		783	.75	1.15	1.65	2.10	2.65	2.75	3.30	3.85	4.40	4.95	5.50	
Stockton, Cal.		915	.75	1.15	1.65	2.10	2.63	2.63	3.15	3.68	4.20	4.73	5.25	
Fresno, Cal.		1,037	.80	1.20	1.75	2.50	3.15	3.25	3.90	4.55	5.20	5.85	6.50	
Bakersfield, Cal.		1,144	.80	1.20	1.75	2.50	3.25	3.50	4.20	4.90	5.60	6.30	7.00	
Sentinel Butte, N. Dak.		1,295	.80	1.35	2.00	3.00	3.75	4.25	5.10	5.95	6.80	7.65	8.50	
Mandan, N. Dak.		1,461	.80	1.35	2.00	3.00	3.75	4.25	5.10	5.95	6.80	7.65	8.50	
San Francisco, Cal.		Mapleton, Minn.	1,600	.80	1.40	2.50	3.65	4.65	5.25	6.15	7.18	8.02	9.23	10.25
		Paducah, Ky.	2,504	.80	1.40	2.75	4.00	5.25	6.00	7.20	8.40	9.60	10.80	12.00
	Mayfield, Cal.	35	.25	.30	.30	.40	.40	.45	.50	.50	.50	.50	.50	
	Healdsburg, Cal.	66	.40	.45	.50	.60	.70	.80	.90	1.00	1.00	1.00	1.00	
	Sacramento, Cal.	90	.30	.35	.35	.45	.50	.55	.60	.60	.60	.60	.60	
	Roseville, Cal.	108	.35	.40	.40	.50	.55	.60	.70	.75	.75	.75	.75	
	Colfax, Cal.	144	.45	.55	.70	.80	.90	1.00	1.20	1.40	1.50	1.50	1.50	
	Raymond, Cal.	199	.45	.55	.70	.80	.90	1.00	1.20	1.40	1.40	1.40	1.40	
	Red Bluff, Cal.	199	.50	.60	.75	.90	1.00	1.00	1.20	1.40	1.60	1.75	1.75	
	Angiola, Cal.	257	.55	.70	.85	1.00	1.00	1.00	1.20	1.40	1.60	1.80	2.00	
	Parron, Nev.	313	.75	1.00	1.30	1.70	2.00	2.25	2.70	3.15	3.60	4.05	4.50	
	Likely, Cal.	408	.75	1.15	1.65	2.10	2.75	3.00	3.60	4.20	4.80	5.40	6.00	
	Battle Mountain, Nev.	478	.75	1.10	1.40	1.75	2.25	2.50	3.00	3.50	4.00	4.50	5.00	
	Halleck, Nev.	578	.75	1.10	1.40	1.75	2.25	2.50	3.00	3.50	4.00	4.50	5.00	
	Brownsville, Oreg.	676	.75	1.00	1.30	1.70	2.00	2.13	2.55	2.98	3.40	3.83	4.25	
	Ogden, Utah.	786	.75	1.15	1.65	2.10	2.75	3.00	3.60	4.20	4.80	5.40	6.00	
	Casa Grande, Ariz.	917	.75	1.15	1.65	2.10	2.65	2.75	3.15	3.68	4.20	4.73	5.25	
	Walla Walla, Wash.	1,017	.80	1.25	2.00	2.75	3.50	3.75	4.50	5.25	6.00	6.75	7.50	
	Spokane, Wash.	1,150	.80	1.25	2.00	2.75	3.50							

APPENDIX F.

Analysis of operating expenses of express companies for the year ending June 30, 1909, with predicated savings under postal express.
[Interstate Commerce Report, 1911.]

Accounts.	Operating totals.	Predicated savings.
Total operating expenses.....	\$56,273,055.29	
Maintenance:		
1. Superintendence.....	62,008.29	\$40,000.00
2. Buildings, fixtures, and grounds.....	125,994.14	100,000.00
3. Office equipment.....	281,869.14	181,000.00
4. Cars—Repairs.....	20,232.47	
5. Cars—Renewals.....		
6. Cars—Depreciation.....	16,040.00	
7. Horses.....	525,121.27	350,000.00
8. Vehicles—Repairs.....	682,038.82	454,000.00
9. Vehicles—Renewals.....	149,923.08	100,000.00
10. Stable equipment.....	198,710.13	132,000.00
11. Transportation equipment.....	150,277.19	100,000.00
12. Other expenses.....	2,909.49	
13. Maintaining joint facilities—Dr.....	39,556.42	
14. Maintaining joint facilities—Cr.....	55,029.06	
Total.....	2,199,651.38	1,457,000.00
Traffic expenses:		
15. Superintendence.....	320,927.68	320,927.68
16. Outside agencies.....	177,101.45	177,101.45
17. Advertising.....	20,517.55	16,000.00
18. Traffic associations.....	41,924.19	41,924.19
19. Stationery and printing.....	96,642.48	96,642.48
20. Other expenses.....	562.79	
Total.....	657,676.14	652,595.80
Transportation expenses:		
21. Superintendence.....	2,331,191.44	1,165,090.00
22. Office employees.....	13,574,264.80	4,527,088.00
23. Commissions.....	6,621,952.63	3,307,317.00
24. Wagon employees.....	7,556,475.69	1,389,119.00
25. Office supplies and expenses.....	1,418,490.74	709,245.00
26. Rent of local offices.....	2,181,523.08	1,090,761.00
27. Stable employees.....	1,078,689.34	539,344.00
28. Stable supplies and expenses.....	4,649,615.32	2,324,804.00
29. Train employees.....	4,665,864.70	2,332,932.00
30. Train supplies and expenses.....	134,149.26	
31. Transfer employees.....	2,132,781.46	213,278.00
32. Transfer expenses.....	119,066.15	11,906.00
33. Stationery and printing.....	1,157,599.54	385,866.00
34. Loss and damage, freight.....	1,321,258.05	
35. Loss and damage, money.....	51,297.83	
36. Damage to property.....	11,077.90	
37. Injuries to persons.....	107,041.01	
38. Other expenses.....	11,241.20	
39. Operating joint facilities—Dr.....	1,285,593.32	
40. Operating joint facilities—Cr.....	1,136,142.33	
Total.....	49,273,031.18	17,906,750.00
General expenses:		
41. Salaries and expenses of general officers.....	860,029.70	573,352.00
42. Salaries and expenses of clerks and attendants.....	2,417,486.16	1,812,363.00
43. General office supplies and expenses.....	169,068.01	126,747.00
44. Law expenses.....	240,739.62	120,369.00
45. Insurance.....	148,963.62	70,000.00
46. Pensions.....	123,610.37	
47. Stationery and printing.....	105,834.52	79,302.00
48. Other expenses.....	76,747.20	
49. General administration joint facilities—Dr.....	6,695.75	
50. General administration joint facilities—Cr.....	6,507.76	
Total.....	4,142,696.59	2,782,133.00
Total operating expense and savings.....	56,273,055.29	22,988,477.00
Add profits.....		11,387,489.00
Add taxes.....		906,519.00
Less interest on bonds.....		35,282,485.00
Net savings and profits.....		1,000,000.00
		34,282,485.00

APPENDIX G.

OPERATING CONTRACTS AND PRACTICES.

The contract between an express company and a railway company usually provides that the express company shall have the exclusive right to operate upon lines named in the contract for a definite term of years; that all matter carried upon passenger trains except personal baggage, corpses, milk cans, dogs, and certain other commodities shall

be turned over by the railway company to the express company (the contract in one case going so far as to state that all packages or freight carried upon any train at passenger-train speed are to be considered express matter and turned over by the railway company to the express company); that the railway company shall transport to and from all points on its lines all express matter in charge of the express company; that special or exclusive express trains shall be provided by the railway company when warranted by the volume of express traffic; that the railway company shall furnish the necessary cars, keep them in good repair, furnish heat and light, and carry the messengers of the express company, as well as the safes, packing trunks, and all necessary equipment; and that horses, wagons, and supplies required by the express company may either be transported in express cars or be shipped by freight.

The contract further provides that the officers and employees of the express company, when traveling upon the business of the company, shall be carried free by the railway; that the railway company shall furnish such room in all its depots, stations, and buildings as may be necessary for the loading, unloading, transferring, and storage of express matter, provided the furnishing of such facilities shall not interfere with the business of the railway company; that the express company may employ during the pleasure of the railway company any of the agents of the latter as the agents of the express company, and may employ the train baggagemen as its messengers, provided that such employment shall not interfere with the duties of the employees to the railway company, but the express company alone is liable for the misconduct of such agents in respect to its express business when so employed. The express company, in respect to all matter carried free of charge for the railway company, is not liable for any loss or damage occasioned by accidents to trains, or by fraud or theft, or by casualties of any kind. The railway company further agrees to transmit free of charge the messages of the express company over telegraph lines which the railway company operates along its lines of road so far as it may be permitted to do so under its contracts with telegraph companies.

The express company, on its part, agrees to pay a fixed per cent of its gross receipts from handling express matter (with the larger railway companies generally a minimum payment is guaranteed); to charge no rate at less than an agreed per cent of the freight rates on the same commodity (usually 150 per cent); to handle, free of charge, money, bonds, valuables, and ordinary express matter of the railway company; to indemnify the railway company for any damages sustained in consequence of the death of or injury to any employee of the express company; to assume sole responsibility for loss of or damage to the express matter in its custody other than the express matter of the railway company carried free of charge; and to pay to the railway company an agreed proportion of the salaries or wages of such employees of the railway company as render services to the express company. The railway company has the right to examine the books, records, and accounts of the express company so far as they relate to the business done under the contract, and may require reasonable safeguards and checks for the purpose of securing correctness in accounting to it for the business done over its lines.

Under some of the contracts the express company agrees not to operate over a competing line of road, and in one contract examined it was found that the railway company required that the express company "shall not fix its rates for transportation and other services connected with the express business via the railroads of the railroad company at any less than the rates fixed by other express carriers between the same points, except that in case of disability or deficiency of routes via the railroads of the railroad company by reason of greater distance, longer time in transit," or other reasons to the prejudice of the routes via the lines of the railway company, the express company has the right to make a sufficient reduction in the rate to retain a proper share of the competitive traffic.

In small towns it is customary for the railway agent to act as the express agent also, being paid by the express company an agreed percentage of the revenue from business done. Generally speaking, the commission allowed such agents is 10 per cent on both inbound and outbound business and a commission of one-third the charges on money-order sales. The amounts paid by express companies are taken into consideration by the railway companies in fixing the salaries of station agents, and the salaries paid by the railway companies are adjusted accordingly.

On many roads the express messengers act as train baggagemen, in which case their salaries are divided between the companies concerned on an agreed basis.

The express company keeps the accounts between itself and the railway company and settles with the railway company on the basis of the amount shown in its accounts. The revenue earned on a given line of road when a shipment is carried over two or more lines is arrived at by the use of a mileage prorate or of a rate prorate. Where the rate prorate is used, the local rates per 100 pounds from point of origin to the junction point and from the junction point to destination are ascertained, and either line's proportion of the revenue from a through shipment at a through rate is determined by dividing the revenue in the ratio of the local rates.

The amount of revenue accruing on a given line having been determined by an express company, the amount due the railway company is computed by applying the percentages agreed upon in the contract. With some of the smaller railway companies, electric lines, and steamboat lines there is still used the tonnage basis of contract—that is, an agreed rate per 100 pounds—but, generally speaking, the percentage basis is the one used.

The interest of the public in the percentage contract lies in the fact that an increase in the compensation received by the express company carries with it a relative increase to the other party.

APPENDIX H.

Statistics of revenue tonnage for the months of April, August, and December, 1909.

[Represents combined returns for the following express companies: Adams,¹ American, Canadian, Canadian Northern, Globe, Great Northern, Long Island, National, Northern, Pacific,² Southern, United States, Wells, Fargo & Co.,¹ and Western.]

Items.	April.	August.	December.	Total or average for three months.
Pieces weighing 100 pounds or less:				
Number of pieces.....	20,951,305	21,242,169	25,276,014	67,469,488
Aggregate weight..... pounds.....	512,288,348	640,699,767	572,203,515	1,725,191,630
Average weight per piece..... do.....	24.46	30.16	22.64	25.57
Revenue..... dollars.....	9,481,154.44	8,406,155.54	12,119,435.84	30,006,745.82
Average revenue per piece..... cents.....	45.25	39.57	47.95	44.47
Average revenue per pound..... do.....	1.85	1.31	2.12	1.74

¹ April report excludes returned empty carriers.

² April report excludes a portion of returned empty carriers.

Statistics of revenue tonnage for the months of April, August, and December, 1909—Continued.

Item..	April.	August.	December.	Total or average for three months.
Pieces weighing over 100 pounds:				
Number of pieces.....	981,663	1,182,768	1,342,220	3,506,651
Aggregate weight..... pounds..	158,778,538	187,169,775	217,864,859	563,813,172
Average weight per piece..... do..	161.74	158.25	162.32	160.78
Revenue..... dollars..	1,522,922.38	1,606,251.89	2,120,904.94	5,250,079.61
Average revenue per piece..... cents..	155.14	135.89	158.01	149.72
Average revenue per pound..... do..	.96	.86	.97	.93
Extraordinary shipments:				
Number of pieces.....	14,625	10,719	11,812	37,156
Aggregate weight..... pounds..	14,147,711	13,886,631	12,302,988	40,337,330
Average weight per piece..... do..	967.36	1,295.52	1,041.57	1,085.62
Revenue..... dollars..	228,240.96	193,615.11	177,871.06	599,727.13
Average revenue per piece..... cents..	1,560.62	1,806.28	1,505.85	1,614.08
Average revenue per pound..... do..	1.61	1.39	1.45	1.49
Total, all shipments:				
Number of pieces.....	21,947,593	22,435,656	26,630,046	71,013,295
Aggregate weight..... pounds..	685,214,597	841,756,233	802,371,362	2,329,342,192
Average weight per piece..... do..	31.22	37.53	30.13	32.80
Revenue..... dollars..	11,232,317.78	10,206,022.54	14,418,211.24	35,856,551.56
Average revenue per piece..... cents..	51.13	45.49	54.14	50.49
Average revenue per pound..... do..	1.64	1.21	1.80	1.54
Ratios of items to corresponding totals:				
Number of pieces weighing 100 pounds or less..... per cent..	95.46	94.68	94.92	95.01
Number of pieces weighing over 100 pounds..... do..	4.47	5.27	5.04	4.94
Number of extraordinary shipments..... do..	.07	.05	.04	.05
Weight of pieces weighing 100 pounds or less..... do..	74.76	76.11	71.82	74.06
Weight of pieces weighing over 100 pounds..... do..	23.17	23.24	27.15	24.21
Weight of extraordinary shipments..... do..	2.07	1.65	1.53	1.73
Revenue on pieces weighing 100 pounds or less..... do..	84.41	82.36	84.06	83.69
Revenue on pieces weighing over 100 pounds..... do..	13.56	15.74	14.71	14.64
Revenue on extraordinary shipments..... do..	2.03	1.90	1.23	1.67

There is slight need for textual comment on the information presented in the above summary. Every item is significant for one who desires to gain an adequate conception of the scope and character of the express business. Though the aggregates would vary for the several months and for the same month from year to year, the averages and percentages may be accepted as fairly portraying the traffic conditions under which express companies operate. It is significant to observe that 95.01 per cent of the number of pieces handled, 74.06 per cent of the weight, and 83.69 per cent of the accruing revenue pertain to

express matter of 100 pounds or less. It is further significant to learn that of this class of traffic the average weight per piece is 25.57 pounds, and the average revenue per pound is 1.74 cents. It is proposed to test the accuracy of these averages from time to time by the selection of other months than those named, although there is little likelihood that a compilation for all the months of the year would seriously affect the averages here disclosed, or that future tests will modify them in any marked degree. These averages may be used with reasonable confidence as long as express companies operate under present traffic, tariff, and contractual conditions.

APPENDIX I.

Statement showing results of operation combined for the months of April, August, and December, 1909, and an apportionment of operating costs between tonnage revenue and other revenue.

MONTHLY REPORTS OF REVENUES AND EXPENSES.

[Represents combined returns for the following express companies: Adams, American, Globe, Great Northern, National, Northern, Pacific, Southern, United States, Wells, Fargo & Co., and Western.]

Accounts.	Amount.	Apportionment between—			
		Tonnage revenue.			Other revenue.
		Amount.	Average per piece (cents). ¹	Average per pound (cents). ²	
Total receipts from operation.....	\$37,380,307.64	\$35,477,111.28	50.64	1.56	\$1,903,196.36
Express privileges—Dr. (47.53 per cent of receipts from operation).....	17,765,999.69	16,861,710.31	24.07	.74	904,289.38
Total operating revenues.....	19,614,307.95	18,615,400.97	26.57	.82	998,906.98
Operating expenses (77.25 per cent of operating revenues).....	15,151,337.42	14,380,134.35	20.52	.63	771,203.07
Taxes (1.22 per cent of operating revenues).....	239,864.48	227,655.38	.33	.01	12,209.10
Operating income (21.53 per cent of operating revenues).....	4,223,106.05	4,007,611.24	5.72	.18	215,494.81

The average weight per revenue piece was 32.52 pounds.

¹ On basis of 70,063,750, the number of revenue pieces handled.

² On basis of 2,278,147,170 pounds, the aggregate weight of revenue pieces handled.

³ Represents "Revenue from operations other than transportation" and "Miscellaneous transportation revenue" as defined in the Classification of Operating Revenues, and revenue from shipments of money, valuables, etc., not properly includible in tonnage report returns.

⁴ Represents an arbitrary assignment on basis of ratio (94.91 per cent) of tonnage revenue to total receipts from operation.

⁵ Represents an arbitrary assignment on basis of ratio (5.09 per cent) of other revenue to total receipts from operation.

NOTE.—Differences between items in the foregoing summary and corresponding items in Summary No. 3 are due to the fact that this statement presents combined returns from the 11 companies only from which complete reports both of revenues and expenses and of tonnage were received.

APPENDIX J.

Classification of mileage covered by operations on June 30, 1909.

Names of carriers.	Total mileage.	Steam road mileage.	Electric line mileage.	Steamboat line mileage.	Stage line mileage.
Adams Express Co.....	34,360.00	30,676.00	194.00	3,405.00	83.00
American Express Co.....	48,224.78	45,608.08	475.70	2,058.50	22.50
Canadian Express Co.....	7,794.27	6,964.27	66.00	737.00	27.00
Canadian Northern Express Co.....	3,129.62	3,107.62	22.00		
Globe Express Co.....	1,899.85	1,899.85			
Great Northern Express Co.....	7,412.16	7,031.57	169.59	211.00	
National Express Co.....	1,714.25	1,416.25	6.00	292.00	
Northern Express Co.....	6,757.75	6,458.75	8.00	261.00	
Pacific Express Co.....	22,672.54	21,721.20	343.00	608.34	
Southern Express Co.....	33,181.00	30,936.00	80.00	2,165.00	
United States Express Co.....	24,206.00	20,286.34	3,604.96	314.70	
Wells, Fargo & Co.....	65,698.43	59,316.90	1,438.76	4,081.65	861.12
Western Express Co.....	3,456.39	3,448.39	4.00	4.00	
Total.....	200,507.04	238,961.22	6,414.01	14,138.19	993.62

APPENDIX K.

Cost of real property and equipment on June 30, 1908 and 1909.

Account.	Total cost to June 30—	
	1908	1909
I. Real estate used in operation.....	\$14,562,641.07	\$14,932,169.94
II. Buildings and fixtures used in operation.....		
III. Equipment:		
1. Cars.....	6,403,125.77	7,381,405.59
2. Horses.....		
3. Vehicles.....		
4. Other equipment.....		
Total.....	20,965,766.84	22,313,575.53

APPENDIX L.

Statement showing inventory value of equipment owned on June 30, 1909.
Total equipment, inventory value..... \$9,234,071.28

Cars:	
Number.....	120
Inventory value.....	\$232,115.69
Office equipment:	
4-wheel trucks—	
Number.....	25,485
Inventory value.....	\$505,570.02
Office furniture and fixtures—	
Inventory value.....	\$1,135,226.45
Office safes—	
Number.....	11,610
Inventory value.....	\$631,662.20
Horses and other draft animals:	
Number.....	17,332
Inventory value.....	\$2,499,780.65
Vehicles:	
Automobiles—	
Number.....	256
Inventory value.....	\$378,240.00
Double wagons—	
Number.....	3,667
Inventory value.....	\$805,571.84
Single wagons—	
Number.....	9,790
Inventory value.....	\$1,188,635.08
Sleighs—	
Number.....	2,878
Inventory value.....	\$81,032.16
Stable equipment (including harness):	
Inventory value.....	\$443,296.67
Transportation equipment:	
Car safes (stationary)—	
Number.....	1,403
Inventory value.....	\$251,756.65
Messenger's safes—	
Number.....	13,765
Inventory value.....	\$198,108.80
Messenger's packing trunks—	
Number.....	23,815
Inventory value.....	\$178,017.06
All other equipment:	
Inventory value.....	\$705,058.01

APPENDIX M.

Income account and profit and loss account statement for the year ending June 30, 1909.

Operating income:	
Gross receipts from operation.....	\$132,599,190.92
Express privileges—Dr.....	¹ 64,032,126.69
Operating revenues.....	\$68,567,064.23
Operating expenses.....	56,273,055.29
Net operating revenue.....	12,294,008.94
Taxes accrued.....	906,519.79
Operating income.....	11,387,489.15
Other income:	
Operations of subsidiary companies (net credit balance).....	98,058.05
Dividends declared on stocks owned or controlled.....	1,887,952.03
Interest accrued on funded debt owned or controlled.....	1,393,189.89
Interest on other securities, loans, and accounts.....	1,236,957.22
Miscellaneous income.....	616,310.54
Total other income.....	5,232,467.73
Gross corporate income.....	16,619,956.88
Deductions from gross corporate income:	
Operations of subsidiary companies (net debit balance).....	7,669.64
Interest accrued on funded debt.....	² 921,246.04
Other interest.....	126,034.01
Other deductions.....	182,452.71
Total deductions.....	1,237,403.30
Net corporate income.....	15,382,553.58
Disposition of net corporate income:	
Dividends declared from current income.....	¹ 4,326,939.10
Additions and betterments charged to income.....	34,919.71
Miscellaneous appropriations.....	3,000.00

¹ Includes \$100,000, advance payment on contract.
² Represents interest paid.

Balance for year carried forward to credit of profit and loss.....	\$11,017,694.77
Balance June 30, 1908.....	45,400,925.34
Additions for year.....	3,642,327.49
Deductions for year.....	7,312,628.71
Dividends declared out of surplus.....	2,223,089.94
Balance (credit profit and loss carried to balance sheet).....	50,525,228.95

APPENDIX N.

Analysis of operating revenues for the year ending June 30, 1909.

I. Revenue from transportation:	
1. Express revenue.....	\$130,130,126.61
2. Miscellaneous transportation revenue.....	35,475.64
Total revenue from transportation.....	130,165,602.25
II. Revenue from operations other than transportation:	
3. Customhouse brokerage fees.....	4,672.73
4. Order and commission department.....	4,672.73
5. Rents of buildings and other property.....	57,141.04
6. Money orders—domestic.....	654,540.78
7. Money orders—foreign.....	16,473.90
8. Traveler's cheques—domestic.....	46,606.46
9. Traveler's cheques—foreign.....	908,094.29
10. "C. O. D." checks.....	14,026.93
11. Telegraphic transfers.....	6,961.97
12. Letters of credit.....	476,298.41
13. Other revenue—financial department.....	130,064.37
14. Miscellaneous revenue.....	
Total revenue from operations other than transportation.....	2,433,588.67
Gross receipts from operation.....	132,599,190.92
Express privileges—Dr.....	¹ 64,032,126.69
Total operating revenues.....	68,567,064.23

¹ Includes \$100,000 advance payment on contract.

APPENDIX O.

POSTAL EFFICIENCY TABLE, UNITED STATES.

Number pieces mail matter handled per post-office employee.

Years.	Employees.	Pieces handled.	Average per employee.
1890.....	162,708	4,005,408,206	24,611
1891.....	171,676	4,369,900,352	25,459
1892.....	178,835	4,776,575,076	26,708
1893.....	184,217	5,021,841,056	27,262
1894.....	184,607	4,919,080,000	26,646
1895.....	195,720	5,134,281,200	26,235
1896.....	198,605	5,063,719,192	25,550
1897.....	204,304	5,781,002,143	28,296
1898.....	210,896	6,214,447,000	29,466
1899.....	216,751	6,576,310,000	30,340
1900.....	218,857	7,129,990,202	32,569
1901.....	226,825	7,424,390,329	32,734
1902.....	239,652	8,085,446,858	33,734
1903.....	241,820	8,887,467,048	36,752
1904.....	251,515	9,502,459,535	35,793
1905.....	238,366	10,187,505,889	42,739
1906.....	268,044	11,361,090,610	42,385
1907.....	251,458	12,255,666,367	48,738
1908.....	255,344	13,173,340,329	51,591
1909.....	258,200	14,004,577,271	54,239

¹ The first experimental rural delivery service was established Oct. 1, 1896, simultaneously on three routes from Charlestown, Uvilla, and Halltown, W. Va. In 1900 there were reported 76,688 post offices and 1,276 rural carriers. In 1910 the post offices had been reduced to 59,580 with 40,997 rural carriers.

APPENDIX P.

Pieces of mail matter handled per post-office employee.

ENGLAND.

Years.	Personnel.	Pieces handled.	Average per employee.
1890.....	117,989	2,622,839,636	22,230
1891.....	125,762	2,715,316,605	
1892.....	131,459	2,783,976,234	
1893.....	136,111	2,852,190,235	
1894.....	138,738	2,907,235,941	
1895.....	140,806	3,028,787,728	28,775
1896.....	144,700	3,139,886,228	
1897.....	151,110	3,316,683,018	
1898.....	159,942	3,494,307,224	
1899.....	167,086	3,596,277,477	
1900.....	173,184	3,720,735,902	28,646
1901.....	179,202	3,915,633,854	
1902.....	183,595	4,140,614,292	
1903.....	188,031	4,297,474,401	
1904.....	192,454	4,476,877,113	
1905.....	195,432	4,682,322,120	31,945
1906.....	199,278	4,687,592,176	
1907.....	203,597	4,795,110,105	
1908.....	207,947	4,853,088,929	31,117

¹ The figures for the personnel include telegraph employees. In all such cases one-fourth of the total number of employees has been deducted from the total number in making the computation of the number of pieces handled per employee per annum.

Pieces of mail matter handled per post-office employee—Continued.
FRANCE.

Years.	Personnel.	Pieces handled.	Average per employee.
1890.....	162,200	1,613,648,252	34,590
1891.....	157,570	1,656,594,153	
1892.....	157,828	1,690,065,382	
1893.....	164,143	1,747,105,412	
1894.....	167,092	1,755,492,308	
1895.....	168,066	1,822,203,228	35,700
1896.....	168,366	1,926,840,499	
1897.....	169,142	2,065,375,716	
1898.....	170,269	2,172,677,054	
1899.....	171,330	2,092,460,752	
1900.....	174,929	2,152,873,380	38,309
1901.....	177,581	2,023,985,229	
1902.....	181,659	2,158,295,671	
1903.....	182,387	2,238,081,437	
1904.....	183,735	2,409,533,445	
1905.....	185,282	2,685,082,091	41,958
1906.....	193,759	2,877,243,955	
1907.....	190,449	2,862,265,894	
1908.....	192,374	2,936,209,275	38,241

GERMANY.

1890.....	1129,945	1,684,740,690	17,287
1891.....	1148,594	1,785,690,900	
1892.....	1155,424	1,889,500,218	
1893.....	1162,779	1,986,791,353	
1894.....	1168,334	2,095,098,346	
1895.....	1175,759	2,101,349,063	15,638
1896.....	1183,212	2,329,228,275	
1897.....	1190,919	2,489,009,635	
1898.....	1199,013	2,639,115,653	
1899.....	1208,441	2,880,389,112	
1900.....	1222,809	3,434,357,576	20,552
1901.....	1233,176	3,699,187,757	
1902.....	1241,967	3,965,627,748	
1903.....	1251,042	4,242,157,259	
1904.....	1263,517	4,439,285,948	
1905.....	1279,598	4,647,055,089	22,160
1906.....	1298,276	5,014,587,587	
1907.....	1314,251	5,448,330,959	
1908.....	1326,703	5,641,324,858	25,901

¹ The figures for the personnel include telegraph employees. In all such cases one-fourth of the total number of employees has been deducted from the total number in making the computation of the number of pieces handled per employee per annum.

² The figures for the personnel here include telegraph and telephone employees. In this case one-third of the total number of employees has been deducted from the total number in making the computation of the number of pieces handled per employee per annum.

APPENDIX Q.

GENERAL POST OFFICE,
London, April 3, 1911.

SIR: With reference to your letter of the 6th of March, asking for certain statistical information relative to the postal system of the United Kingdom, I am directed by the postmaster general to inform you that in this department the same officer frequently performs postal, telegraph, and telephone duties, so that it is not possible to give the numbers of the separate classes engaged on each of these branches of work.

The amount paid in salaries or wages is, however, apportioned, for purposes of account, in accordance with the estimated time given to each branch, the figures for the financial year ending the 31st of March, 1910, being as follows:

Postal.....	£9,184,578
Telegraphs.....	2,611,198
Telephones.....	422,867

These figures will, it is hoped, suffice for your purpose.

I am, sir, your obedient servant,

F. J. BROWN, For the Secretary.

Mr. DAVID J. LEWIS.

APPENDIX R.

COST OF TRANSPORTING AND HANDLING MAIL MATTER, ETC.

Revenue, expense, and profit or loss per pound and per piece for the several classes of mail, United States.

Classes of mail.	Revenue per pound.	Expense per pound.	Profit per pound.	Loss per pound.
First.....	\$0.84001	\$0.49923	\$0.34078	
Second.....	.01143	.09235		\$0.08092
Third.....	.12711	.14317		.01606
Fourth.....	.10867	.12308	.04559	
Congressional free (franked).....		.11441		.11441
Departmental free (penalty).....		.12113		.12113
Foreign.....	.15879	.11246	.04633	

Classes of mail.	Pieces per pound.	Revenue per piece.	Expense per piece.	Profit per piece.	Loss per piece.
First.....	45.10	\$0.01862	\$0.01107	\$0.00755	
Second.....	4.80	.00238	.01923		\$0.01685
Third.....	8.56	.01485	.01672		.00187
Fourth.....	3.16	.05337	.03895	.01442	
Congressional free (franked).....	1.99		.05754		.05754
Departmental free (penalty).....	5.38		.02252		.02252
Foreign.....	10.32	.01538	.01090	.00448	

APPENDIX S.

PARCELS POST RATES IN THE DOMESTIC SERVICE OF THE COUNTRIES NAMED.

[By Postmaster General Meyer.]

Great Britain.—Postage rates for the first pound, 3 pence (6 cents), and for each additional pound, 1 penny (2 cents); maximum weight, 11 pounds; greatest length 3 feet 6 inches; greatest length and girth combined, 6 feet.

New Zealand and the States composing the Commonwealth for Australia.—Limits of weight and size, same as in Great Britain. Postage rate, 6 pence (12 cents) for the first pound, and 3 pence (6 cents) for each additional pound.

Germany.—Greatest weight, 50 kilograms (about 110 pounds); no limit of size. Postage rates: For all parcels conveyed not more than 10 geographic miles, 25 pfennig (6 cents), and 50 pfennig (13 cents) for greater distance; if a parcel weighs more than 5 kilograms (11 pounds average), it is charged for each additional kilogram (2 pounds) carried 10 miles, 5 pfennig (1 cent); 20 miles, 10 pfennig (3 cents); 50 miles, 20 pfennig (5 cents); 100 miles, 30 pfennig (8 cents); 150 miles, 40 pfennig (10 cents); and more than 150 miles, 50 pfennig (13 cents). Unwieldy parcels are charged in addition 50 per cent of the above rates.

Austria.—Greatest weight, 50 kilograms (110 pounds); except that parcels containing gold or silver coin may weigh up to 65 kilograms (143 pounds). Postage rates: Parcels up to 5 kilograms (11 pounds) in weight are charged 30 heller (6 cents) for the first 10 miles and 60 heller (12 cents) for greater distances. A parcel weighing more than 5 kilograms (11 pounds) is charged for each kilogram (2 pounds), in addition to the above rates, for the first 10 miles, 6 heller (1 cent); 20 miles, 12 heller (2 cents); 50 miles, 24 heller (5 cents); 100 miles, 36 heller (7 cents); 150 miles, 48 heller (10 cents); and more than 150 miles, 60 heller (12 cents).

France.—Greatest weight, 10 kilograms (about 22 pounds); no limit of size. Postage rates: Up to 3 kilograms (7 pounds), 60 centimes (12 cents) delivered at the railway station and 85 centimes (17 cents) delivered at a residence; from 3 to 5 kilograms (7 to 11 pounds), 80 centimes (16 cents) at a station and 1 franc 5 centimes (21 cents) at a residence; from 5 to 10 kilograms (11 to 22 pounds), 1 franc 25 centimes (25 cents) at a station and 1 franc 50 centimes (30 cents) at a residence.

Belgium.—Greatest weight, 60 kilograms (about 132 pounds); no limit of size, but unwieldy parcels are charged 50 per cent in addition to the following rates for any distance: Parcels up to 5 kilograms (11 pounds), 50 centimes (10 cents)—or if by express trains, 80 centimes (16 cents); up to 10 kilograms (22 pounds), 80 centimes (12 cents)—or if by express trans, 1 franc (20 cents); for each additional 10 kilograms (22 pounds), 10 centimes (2 cents)—or if sent by express trains, 50 centimes (10 cents) additional. Fee for delivering at residences, 30 centimes (6 cents).

Italy.—Greatest weight, 5 kilograms (11 pounds). For ordinary parcels, greatest size in any direction, 60 centimeters (2 feet), except rolls, which may measure 1 meter (40 inches—3 feet 4 inches) in length by 20 centimeters (8 inches) in thickness. Postage rates for a parcel not exceeding 3 kilograms (7 pounds), 60 centimes (12 cents); and 1 franc (20 cents) for a parcel exceeding that weight. A parcel which exceeds 60 centimeters (2 feet) in any direction, but does not exceed 1½ meters (5 feet), is admitted to the mails as an "unwieldy" parcel and is charged, in addition to the above rates, 30 centimes (6 cents) if it does not weigh more than 3 kilograms (7 pounds), and 50 centimes (10 cents) if it exceeds that weight.

The Netherlands.—Greatest weight, 5 kilograms (11 pounds); greatest size, 25 cubic decimeters (1,525 cubic inches), or 1 meter (3 feet 4 inches), in any direction. Postage rates: 15 (6 cents) (Dutch) up to 1 kilogram (2 pounds); 20 (8 cents) from 1 to 3 kilograms (2 to 7 pounds); 25 cents (10) from 3 to 5 kilograms (7 to 11 pounds).

Chile.—Greatest weight, 5 kilograms (11 pounds); must not measure more than 60 centimeters (2 feet) in any direction. Postage rates: 30 centavos (10 cents) if a parcel does not weigh more than 3 kilograms (7 pounds); 50 centavos (17 cents) if it weighs more.

Cuba.—Greatest weight, 11 pounds; greatest size, 3 feet 6 inches in length by 2 feet 6 inches in width. Postage rates: 10 centavos (10 cents) a pound up to 5 pounds, and 6 centavos (6 cents) for each additional pound.

APPENDIX T.

Table of express and freight weights in different countries, with ratios, etc.

Countries.	Year.	Population.	Number of express pounds per capita.	Number of freight pounds per capita.	Ratio of express weight to freight.
Argentina.....	1909	6,460,428	165.4	10,680	1:64
Austria.....	1908	28,032,556	116.6	11,260	1:97
Belgium ¹	1909	7,295,953	199	16,320	1:82
Germany.....	1908	63,017,000	140.4	15,980	1:113
Hungary.....	1908	20,826,184	67.8	5,540	1:84
France.....	1908	38,961,945	140.6	7,480	1:53
United States.....	1909	92,000,000	99	16,300	1:165

¹ Includes 214 miles of privately owned railway.

Denmark, Norway, and Netherlands not included because complete freight and express tonnage of State owned and private owned railways are not available. England gives no express data, and the same is true of Australasia.

The express weights do not include the weights of the parcels carried by mail in any case.

APPENDIX U.

THE PARCELS-POST SYSTEM OF GERMANY.

[Written for Dun's Review of Feb. 24, 1906, by Hon. J. C. Monaghan, of the Department of Commerce and Labor, Washington, D. C.]

Among the greatest needs of the present day is a better development of the means of distribution. Much of the overproduction, of which so many complaints are heard, is simply due to lack of distribution. Among the modern methods of distributing merchandise the post holds a rank scarcely dreamed of in the days of the first American Post-

master General, Benjamin Franklin. Even his genius hardly foresaw the day when the packages of the merchant and tradesman would be carried by the postman. The best example of a successful parcels-post system to enable a business man to form a just idea of it is the German system, which the writer saw in operation for 12 years. The gigantic genius that forged and welded the fragments of the empire into one cohesive mass—Bismarck—did as much as anyone to give the Empire a postal system so successful that it excites envy and emulation. In the year 1903 it netted the Empire nearly \$15,000,000 over and above all expenditures, while the American service showed a deficit of \$4,356,000.

Not the least successful branch of the system—certainly not the least useful part—is that which deals with parcels or packages of all kinds of products, from those of the farm or ranch to those of the factory or department store. From the huge streams of wares that flow through the post offices of Berlin, Hamburg, and the larger towns and cities, as well as the tiny rivulets of articles that are put into the parcels post in remote Tyrolean hamlets and in thousands of country offices, is formed a veritable ocean or sea of traffic. The yellow wagons of the Empire or the royal wagons of Kingdoms like Wurttemberg and Bavaria that have held on to their separate postal rights, wind their way in and out of the highways and byways of the entire empire, picking up and laying down wares. Anyone may participate in the benefits of the German parcels-post system—that is, anyone who is willing to conform to its regulations regarding fulminates, living creatures, the making out of cards, etc. A mother in the south may make up a parcel or package of food, linen, and other articles and send it to her boy in Berlin for a trifling sum. A traveler may pick up bits of bric-a-brac in the hills and have them mailed to some central city for a few cents, or he may leave his linen to be washed and have it forwarded to some place on his itinerary for no more than he would expect to pay a porter to carry it to his hotel. Nor has the housewife any inconvenience; the yellow wagon with its royal eagles will call to pick up the parcels as well as to deliver them, charging nothing for calling and only a trifle for the collecting.

A card about 4 by 6 inches has to accompany every package. In case of goods going to one address, three packages, unless insured, registered, or sent c. o. d., may be covered by one card. This indicates the disposition of the country to make the postal service not only convenient, but as inexpensive as possible. When insured, registered, or sent c. o. d., each package must have its own card. Every card is divided into two parts. On the extreme left is a strip for the address of the sender, the stamp of the receiving office, and for the name of the party to whom the goods are sent. This part is torn from the card and is retained at the receiving office and constitutes an excellent reference record in case of loss or trouble. On the other part is put the name of the person for whom the goods are intended, the stamp or stamps necessary to send it, a space for the number of packages sent, the weight of the package as determined by the post-office scales, and a number corresponding with one marked upon the package itself and given serially. On the back of the card are spaces for a short message to the receiver, for a storage number to be used in case the package has to be laid away till called for, or for instructions in regard to delivery; also space for the signature of the receiver. Besides all this there are printed instructions as to how the card is to be used and certain important points in the parcels-post regulations. These cards cost the price of the stamp on them when stamped, or four for 1 cent, unstamped. Private parties may make and use their own cards provided they supply themselves with exact imitations of those furnished by the Government.

The package has to correspond in every particular of its address to the form used on the card. It must indicate by the word "frei," or "franco," corresponding to our word free, that postage has been paid, or that it is "eingeschrieben," registered, or "per Eilbote zu bestellen," to be delivered by special messenger, etc. In case the package, as frequently happens, contains animals, living or dead, or any perishable commodity, the card must contain instructions to "return to —" if not delivered, or "if not delivered, sell," or "if not delivered, telegraph sender." And "the beauty of it all," as a traveling American once put it, "is that the Imperial Government does exactly as it is told or asked to do." The address must be written in full; must be perfectly plain, both as to names and numbers. In case a consignment is insured, that fact must be put upon the package as well as upon the card. Light objects of little value, such as can stand pressure and which will not cause dirt or any kind of inconvenience, may be put up in ordinary packing paper. All parcels above 6 pounds must be put up in several wrappings of heavy paper. Valuable parcels, particularly those that are easily moistened, crushed, or injured by rubbing, must be covered with oiled cloth or pasteboard, or must be packed in boxes; in other words, care must be taken to so cover them as to secure a minimum of danger. Fluids shipped in bottles or flasks must be carefully packed in cases or baskets. Living creatures must be so packed as to protect the animal from discomfort, at least reasonably so, and to make sure of no injury or danger of injury to the post-office officials or parties whose duty it is to handle the packages. The wrapping, tying, sealing, etc., of the packages must be such as to secure its contents from unwarranted examination. Packages that are insured must be carefully sealed with sealing wax and legibly stamped. If the parcel or package is one that is sent in a locked box, case, or cask, the sealing is not, as in the other cases, indispensable. Coin, paper money, bonds, and other valuable paper may be sent by the parcels post, but they are sent under special regulations.

The only regulation in the system to which any exception can be taken is the one that says the parcels must be forwarded by the accommodation trains, and not by the limited or fast ones. This is doubtless due to the fact that delivery of so many packages would inevitably and inordinately delay the fast trains. Exception, however, might have been made in favor of live animals, fresh fish, perishable fruits, and flowers, for in all of these there is an immense traffic. Perhaps it is pertinent to remark here that the payment of \$0.338 will secure the shipment of such parcels on fast trains and special delivery at point of destination. Shipments of an urgent character, if marked as such, may not be registered or insured. They must, however, bear the word urgent ("dringlich") in large letters on a card of a particular color, the address being clear and unmistakable. In ordinary towns parcels are delivered twice a day; in large cities oftener. In case the card calls for a special delivery the package is hurried to its destination by a special messenger. This service calls for 10 cents extra if the delivery is inside city limits and 22 cents if it is beyond them. In some cases notice only of the arrival of the package is given by special messenger, in which case the charge is the same as for the special delivery of ordinary letters or money orders—5 cents inside the city, 15 cents outside. If the sender pays for the special messenger he must indicate that he has done so by putting "Bote bezahlt" (messenger paid) on the parcel and accompanying card. In case no special delivery is demanded or possible, the

package is delivered in the ordinary way by the regular parcels-post wagon.

The delivery charge differs in degree, depending upon distance. For example, parcels up to 11 pounds pay 2½ cents inside city limits; for rural delivery the charge is 2½ cents for packages under 5½ pounds, and 5 cents for all others that are within the weight permitted for parcels. Heavier parcels—that is, parcels of more than 5 pounds—for city delivery pay 3½ cents per parcel. In case the card covers three packages, the limit allowed to one card, there is a charge of 3½ cents for the heaviest and 1½ cents for each of the other two. When the goods have to be carried into the country (rural delivery) the charge is 2½ cents for each parcel weighing less than 5½ pounds, and 5 cents for every other parcel permitted to go by parcels post. Careful, sensible, systematic, and businesslike are the only words that will properly describe this wonderful system and its successful work. In the matter of city delivery fees much is left to local authorities; the general-delivery fees, however, are determined by the central postal authorities. A very large part of the postal parcels are carried to the post office by boys and girls, private messengers, servants, and by the parties sending the wares. As already indicated, the parcels-post wagon is always ready to call. It has its regular rounds each day, and may be called by a card addressed to the bureau or division having charge of the wagons. Of course, such a card should be sent to reach headquarters before the wagons start on their daily trips. A parcel may be carried to a wagon long after it has passed the locality in which the sender resides. It will be taken by the conductor of the wagon, for each wagon has a conductor and driver. The charge for collection is the same as the charge for delivery, 2½ cents inside the city limits and 3½ cents for collections in the country, or outside city limits, in the so-called rural zones, for parcels weighing less than 5½ pounds, and 6½ cents for heavier parcels up to the limit allowed by law. In case the carrier can not deliver a parcel the sender is notified and asked for instructions, a charge of 5 cents being made for the notice. As already pointed out, if a sender has doubts about the acceptance or ability of the carrier to deliver, he can make provision for its delivery or disposition on the accompanying card.

The one vital factor in a system of this kind is the charge. If it is too high it defeats the object at which it aims—public convenience. In all its efforts to secure efficiency the German Empire has always aimed at a system such as would secure that result at a moderate cost. Its success has been fairly phenomenal, for its charges have been moderate, the service the very acme of efficiency. As already suggested, distance and weight form the factors in the problem of price for the service. The distance charges are determined by zones, the first zone or circle within which the lowest price is paid being 10 geographical miles from the post office as a center; the second zone all points beyond the 10-mile limit, but within 20 miles; the third, the points between the 20 and a 50-mile circle; the fourth, between 50 and 100; the fifth, between 100 and 150; the sixth and last, all points in the Empire beyond a circle 150 miles from the post office or center. For lighter parcels, those weighing less than 11 pounds, only two zones are marked off, the 10-mile zone and those parts of the Empire beyond the 10-mile boundary. For such parcels the charge is 6 cents for the inside and 12 cents for the outside zones; for parcels weighing over 11 pounds an extra charge is made upon every extra 2.2 pounds or kilogram. The packages are weighed before admission, and are accepted up to 110 pounds each. In case the sender fails to prepay the postal charges, a fine of 2½ cents is levied on parcels that do not weigh more than 11 pounds; in case of heavier packages no fine is levied. The purpose of this regulation is to effectively reduce the number of unpaid parcels under 11 pounds, for these make up the major part of the parcels posted. Light packages, but of large size—say, cases containing bonnets, fowers, feathers, etc., or delicate, easily destroyed commodities—come under a specific classification. They are classed by cubic contents. As soon as a package exceeds 50 inches in any one dimension it is put in this class; also, parcels that measure 39.37 inches one way and 19.68 in another, but weigh less than 22 pounds. In this class fall plants in baskets sent all over the Empire by nurseries, hat and bonnet boxes, furniture, fancy baskets, boxes, Black Forest or Tyrol clocks and carvings, cages, empty or containing animals, etc. Such parcels pay 50 per cent more than the regular rates, insurance fees not included in the estimate. Parcels of great value are usually insured, the charges being exceedingly small, 2½ cents for all parcels under \$142.80, with 1.19 cents additional for each \$71.40; in other words, a parcel worth \$357 pays, when insured, for such insurance 5.95 cents, practically 6 cents; a parcel worth \$1,428 is insured for 23.8 cents, etc.

How much the parcels post has meant in the past, how much it means now, and how much it is to mean in the empire's marvelous development will never be known till some German Mulhall makes its work the subject of a brilliant special monograph. From the far-off shores of Heligoland and the North Sea fishing villages the products of the deep are collected, carried across a large part of the Continent, and delivered, the service extending to the confines of Bohemia or even to Austria and Hungary, for there is a postal arrangement between the two empires that admits all the benefits of the one to the citizens of the other. From the seaport cities come the bananas, oranges, lemons, pineapples, coconuts, the rich spices of the East, the finer fibers and textiles of Persia, India, China, and Japan; from Switzerland come the rich dairy products and marvelous honey gathered from its mountain flowers, a honey as rich as that of Hyettus; from the Rhine lands the wines are sent in baskets far beyond where the vine will grow; out of the south, by Botzen, on the hills near Innsbruck, and along Lake Garda go fruits and flowers to Berlin and Breslau, Königsberg, Danzig, and Stettin. A message by wire, in case of a run on fruits or flowers, will be filled in 24 or 48 hours, the entire order, including the telegram, costing from 25 cents to \$1, the latter price being exceptional, incurred only when the parcel exceeds 50 pounds. Under the 11-pound policy for 12 cents enormous shipments have been made and are being made. This rate is the popular one.

Business men, bankers, merchants, manufacturers, and the people are unanimous in praise of the imperial parcels post. All regard it as indispensable. All wonder how they ever got along without it. The rates from the empire to neighboring nations, particularly to those with whom Germany has arranged postal treaties, are exceedingly low. As already indicated, the rates to Austria are the same as those laid down by law for Germany, and parcels for Egypt and through Switzerland and Italy pay only 52 cents for 11 pounds. Parcels for the United States cost 33 cents if 1 kilogram or 2.2 pounds; from 2.2 to 11 pounds, 33 to 88 cents, depending upon weight, distance, delivery, etc. In all cases care must be taken first to find out the terms of the law. This may be done by reading the rules and regulations. Certain requirements are exacted in the case of goods going into a country that exacts tariff duties. In the case of our own country, the law requires the making out of two declarations, covering the cost in addition to

the card. In the matter of size, no package must be over 41.24 inches or 105 centimeters long, and the circumference must not go beyond 70.87 inches (180 centimeters). The charge for packages ranging from 1 kilogram (2.2 pounds) to 4.4 pounds is 26 cents; for each 22.046 pounds or fraction thereof an additional charge of 13 cents is made. The rate for 220.46 pounds (100 kilograms) is \$1.31. As regards the imperial parcels-post system as a whole, Germany's method of meeting the new economic, industrial, and commercial era upon which it has entered is one that is sure to commend itself in time to the thoughtful statesman.

APPENDIX V.

EXAMPLES IN OTHER COUNTRIES.

There are very few countries not having a more or less highly developed system of parcels post. A list is herewith inserted giving a large number of them with tariffs for certain weights and distances.

Parcels-post tariffs.

Countries.	Weight.	English miles.	Approximate rates.
	Pounds.		Cents.
Great Britain.....	1	(1)	6
	2	(1)	8
	11	(1)	24
	6	(1)	12
France.....	11	(1)	16
	22	(1)	25
	11	46	6
Germany.....	11	(1)	12
	110	46	60
Germany-Austria.....	11	(1)	12
	1.1	46	6
Austria.....	1.1	(1)	12
	11	46	6
	11	(1)	15
Hungary.....	11	(1)	15
	11	(1)	20
Italy.....	6	(1)	12
	1	(1)	12
New Zealand.....	11	(1)	72
	1	(1)	12
Victoria.....	11	(1)	72
	1	(1)	12
South Australia.....	11	(1)	72
	1	(1)	12
New South Wales.....	2	(1)	18
	11	(1)	72

¹ No limit.

² 6 cents for each additional pound.

Australia, Belgium, and Germany, at least, among these have the 110-pound limit; a limit within which 96 per cent of the American express traffic travels, the average parcel weighing 32.80 pounds, and only about 5 per cent (4.94) of the number of pieces exceeding 100 pounds.

As perhaps the most elaborate and best tested, if not the most excellent, example of the conception, the German system is referred to; and a most readable as well as reliable description of it, by Hon. J. C. Monaghan, of the Department of Commerce and Labor, is given.

APPENDIX W.

AN AGRICULTURAL PARCEL POST.

[Nineteenth Century, vol. 53, p. 253.]

The object of the writer of this article is not so much to entertain the reader as to attempt to show how the income of the United Kingdom may be immediately increased by at least 60,000,000 sterling, distributed among a class of men who are admitted to be the backbone of the community, but whose fate it seems to be to suffer from the prosperity of their fellows. There is but one class which can be thus described—the agricultural. There is but one remedy suggested for its misfortunes—an agricultural parcel post.

Not that the post office can do all that is required. The official Hercules will certainly expect the depressed cultivator to put a shoulder to the wheel. The postmaster general is nowise responsible for the enterprise of trans-Atlantic farmers or the cutting of trans-Atlantic freights. So long as the British farmer acts on the theory that his land will produce only one thing, which he can not sell at a profit, nobody, not even Hercules, can help him. For, as against stupidity, "the gods themselves contend in vain." But if he will grow that which is highly profitable, and which the post office alone (without injury to its revenue) can bring to market, then it is clearly the duty of the post office to place its machinery at his service. It is worth while to examine with an impartial mind the facts and arguments for and against postal intervention.

WHAT WE ARE LOSING—IN ACRES.

There are in the United Kingdom 77,667,959 acres, of which 29,917,374 acres are uncultivated. Of the uncultivated portion, 1,225,000 acres were cultivated 11 years ago, when I brought the matter before Mr. Raikes; 806,872 have been laid down in pasture, while 418,473 have become primeval deserts.

WHAT WE ARE LOSING—IN MEN.

While our fields have been thus abandoned to weeds those who tilled them have emigrated to lands where their services are valuable. In the last 10 years 1,603,523 persons have left our shores, whole villages have been deserted as in time of plague, and all we get in return for our country is the barren title, *officina gentium*.

NO LINK BETWEEN GROWER AND BUYER.

The sterilizing influence, the fatal objection, is the want of some means of getting the produce in question quickly and cheaply to the market. A man farming 1,000 acres contracts with the dealers in town and delivers his produce daily from his own van or cart at the nearest railway station. But the tens of thousands who occupy from 1 to 20 acres own no vans, and in order to secure lower rent they live far away from the railways. And the situation of a farm is everything. We can not say of the modern British farmer as Horace wrote of the Roman, "*Beatus ille qui procul negotiis*."

THE DRUGGIST CALLED IN.

When dealing with "perishables" produce, as it is called, it is obvious that speed of transmission from grower to consumer is the vital factor. No sooner has the apple fallen or the egg been laid or the butter been made than predatory bacteria begin to pollute it and destroy its pristine and peculiar savor. A certain Scottish angler and epicure has a fire kindled on the bank of the Tweed and into a pot boiling on that fire the first salmon he kills is thrown. Another salmon, caught within the hour and cooked in London 24 hours later, would have a different and inferior flavor, because the oil in the flesh would be slightly rancid. Thompson, the poet, ate peaches growing on the tree just as writers of prose, if bold enough, the oyster alive. Dr. Johnson, who, doubtless, in those days of bad roads and slow wagons, spoke feelingly, declared that no man was "satisfied with a moderately fresh egg." If we except Chinamen, this is true; but very few inhabitants of our towns can secure "new-laid" eggs. As to butter, cheese, and milk, it is notorious that our foreign friends thoughtfully save our noses from being offended by a liberal use of chemical preservatives, with which the British stomach is supposed to deal. One dares not calculate how many kegs of Belgian borax and French acid the British middle-class baby must assimilate at the most critical period of its existence.

A DETAILED PLAN.

It remains to suggest a workable plan for the desired operation of the post office. And here it becomes an outsider who is not an official and who knows nothing experimentally of la petite culture to observe all due modesty. The aim in this article is to promote discussion of the subject; and it will, of course, be a subject of congratulation to the writer if a far better system than his can be brought forward.

THE PRIME NEED.

In the first place, the post office should undertake the work of collection. In every rural district mapped out there should be local depots, say a mile apart, along the roads to which parcels of produce would be brought by a certain hour from the neighboring farms and cottages. A postal van hired in the locality would collect from these depots and the village post offices and convey the parcels to the nearest railway station. The trifling expense of maintaining such a depot might fairly be undertaken by the farmers benefited.

Motor cars should be employed if possible. Let us suppose that a district is 10 miles from a post office and is inhabited by a hundred cottagers raising then (as all would) produce. Clearly the rural postman who now accepts parcels would (even if trained by Sandow) be unequal to the task. But the postal van or motor car would convey everything to the station in time for the appointed train to the town of destination. On reaching that town the parcels would be delivered (if so addressed) to the depot to be established there or (if so addressed) to individual purchasers. In this way eggs, milk, butter, poultry, fruit, and flowers might be placed on our tables within four or five hours of the leaving of the farm of origin.

RATES.

And now with respect to rates. The writer would recommend 1 penny per pound for the cash-on-deliver parcels, with a minimum of 2 pence for anything not over 2 pounds, and one-half penny per pound with a penny minimum for parcels consigned to depots where the postal work is simply collection. These charges should be paid in adhesive stamps.

The maximum weight should be raised to one hundredweight (as in Germany), to be ultimately higher still. And here one should entreat the post office to have as few charges as possible and to give the "zone" system, so successful on the Continent, at least a fair trial. Unfortunately, the post office, as we know, has to pay 50 per cent of the postage on railway-borne parcels to the companies. That bargain, however, comes to an end next year, and meanwhile the post office would pocket all the postage on the parcels sent to the nearest depot by its motor-car service.

J. HENNIKER HEATON, M. P.

APPENDIX X.

Express rates by passenger train in England.

[Consular report.]

Weight.	Up to 30 miles.		30 miles to 50 miles.		50 miles to 100 miles.		Over 100 miles.	
Pounds.	d.	Cents.	s. d.	Cents.	s. d.	Cents.	s. d.	Cents.
2.....	4	0.0811	0 4	0.0811	0 4	0.0811	0 4	0.0811
3.....	5	.1013	0 5	.1013	0 5	.1013	0 5	.1013
4.....	6	.1216	0 6	.1216	0 6	.1216	0 6	.1216
5.....	6	.1216	0 6	.1216	0 7	.1419	0 7	.1419
6.....	6	.1216	0 6	.1216	0 8	.1622	0 8	.1622
7.....	6	.1216	0 8	.1622	0 9	.1824	0 9	.1824
8.....	6	.1216	0 8	.1622	0 10	.2027	0 10	.2027
9.....	6	.1216	0 8	.1622	0 11	.2230	0 11	.2230
10.....	6	.1216	0 8	.1622	1 0	.2433	1 0	.2433
11.....	6	.1216	0 8	.1622	1 0	.2433	1 0	.2433
12.....	6	.1216	0 8	.1622	1 0	.2433	1 1	.2635
13.....	6	.1216	0 9	.1824	1 1	.2635	1 2	.2838
14.....	6	.1216	0 9	.1824	1 1	.2635	1 3	.3040
15.....	6	.1216	0 9	.1824	1 2	.2838	1 4	.3244
16.....	6	.1216	0 10	.2027	1 2	.2838	1 5	.3446
17.....	6	.1216	0 10	.2027	1 3	.3040	1 6	.3649
18.....	6	.1216	0 10	.2027	1 3	.3040	1 7	.3852
19.....	6	.1216	0 11	.2230	1 4	.3244	1 8	.4055
20.....	6	.1216	0 11	.2230	1 4	.3244	1 9	.4257
21.....	6	.1216	0 11	.2230	1 5	.3446	1 10	.4460
22.....	6	.1216	1 0	.2433	1 5	.3446	1 11	.4663
23.....	6	.1216	1 0	.2433	1 6	.3649	2 0	.4866
24.....	6	.1216	1 0	.2433	1 6	.3649	2 0	.4866
25.....	7	.1419	1 1	.2635	1 7	.3852	2 1	.5068
26.....	7	.1419	1 1	.2635	1 8	.4055	2 2	.5270
27.....	7	.1419	1 2	.2838	1 9	.4257	2 3	.5473
28.....	7	.1419	1 2	.2838	1 9	.4257	2 4	.5676
29.....	8	.1622	1 3	.3040	1 10	.4460	2 5	.5879
30.....	8	.1622	1 3	.3040	1 11	.4663	2 6	.6082
31.....	8	.1622	1 4	.3244	2 0	.4866	2 7	.6285
32.....	8	.1622	1 4	.3244	2 0	.4866	2 8	.6488
33.....	9	.1824	1 5	.3446	2 1	.5068	2 9	.6690
34.....	9	.1824	1 5	.3446	2 2	.5270	2 10	.6893
35.....	9	.1824	1 6	.3649	2 3	.5473	2 11	.7096

Farm and dairy produce by passenger train, Great Western Railway, England.

Weight.	Up to 30 miles.		31 to 50 miles.		51 to 100 miles.		100 to 200 miles.		Over 200 miles.	
	d.	Cents.	d.	Cents.	d.	Cents.	s. d.	Cents.	s. d.	Cents.
10 pounds....	6	12.16	6	12.16	6	12.16	0 8	16.22	0 9	18.24
24 pounds....	6	12.16	6	12.16	9	18.24	1 0	24.33	1 3	30.40
Above 24 pounds ¹	1	.25	1	.5	1	.75	1	1	1	1.25

¹ Minimum charge, 12+ cents.

The above are special rates of the Great Western Railway for consignments of butter, cream, fish, eggs, game, poultry, vegetables, flowers, etc., and include collection and delivery.

APPENDIX Y.

POST OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., May 25, 1911.

Hon. D. J. LEWIS, House of Representatives.

MY DEAR SIR: In compliance with your request of the 20th instant for information with reference to City and Rural Delivery Services, I beg to advise you as follows:

At the present time there are 1,528 post offices having city delivery. The letter carriers in these offices serve a population of approximately 43,000,000.

The law requires that before city delivery can be established at an office the gross postal receipts must amount to \$10,000 or more, or the population, according to the last Federal or State census, must be 10,000 or more. If either of these requirements is met, city delivery may, in the discretion of the Postmaster General, be authorized. No rule prescribing a minimum population has been made, but at the average office, where the receipts are sufficient to permit the establishment of the service, the population is usually between 3,000 and 4,000, and the employment of two or more carriers is generally necessary. Even where the requirement is met as to receipts, however, the service would not ordinarily be established unless the full time of one carrier could be utilized. As a precedent to the establishment of the City Delivery Service the department also requires the streets to be named, houses numbered, sidewalks laid, and adequate street lights provided.

On May 1, 1911, there were in operation from 17,295 post offices 41,289 rural routes, served by 41,190 rural carriers. Approximately 20,000,000 people are served by these carriers.

Very truly, yours,

FRANK H. HITCHCOCK,
Postmaster General.

APPENDIX Z.

THE SOCIOLOGICAL VIEW.

[Ward, Dynamic Sociology, vol. 2, p. 578.]

As remarked in the Introduction, the question whether any enterprise should be undertaken by the State or left to private individuals is one which must be determined on the intrinsic merits of each individual case. The transfer of functions from the latter to the former simply marks the expansion of the jurisdiction of the State, a process which, when correctly viewed, has been going on steadily from the earliest ages of political history. Nearly every present acknowledged function of government has once been intrusted to private enterprise. It simply shows that little by little society has risen to the consciousness of its needs, and has, one by one, assumed control of the more important public interests. Whether it be its finances, its criminal jurisprudence, its customs regulation, its postal affairs, its telegraphs, or its railroads, whatever it fairly perceives to need State administration, it proceeds to assume and add to the functions of the government.

Now, of all the enterprises which the State has thus appropriated to itself there is not one which it has not managed better and more wisely than it had been managed before by private parties. Most of them are such that the world has entirely forgotten that they were ever private enterprises. Others have become cherished public institutions, which no future revolutions can again remand to private direction. And there are others which are still debating ground and on trial in some States. The transportation question is one of these latter. Telegraph communication is another. Education is a third. Other social operations still, not now looked upon except by a few as belonging to this class, are destined to pass through the stages of agitation and governmental assumption. These facts should not, however, lead to the conclusion that government should immediately assume charge of all private enterprises which concern the general public. There must be a gradual maturing of the conditions, both on the side of the State and the individual, before this can successfully be done. The question in each case must always be, Is the age ripe for this change? As society is constituted, however, premature action of this nature can scarcely occur. So strong is the force of established custom that it much more frequently happens that the event is too long postponed and the State does not step in until the crying evils of private mismanagement and individual incompetency have thoroughly aroused it to the necessity.

The superiority of governmental administration over private management in large enterprises of a general private character has been clearly seen and frequently pointed out, but the progress of popular opinion on such questions has been powerfully counteracted by the special nature of the case. Private enterprise is ever jealous of governmental encroachment upon its domain, and the more lucrative the enterprise is—that is, the greater the need that it be conducted by society in the interest of its members—the stronger will be the influence brought to bear against such a result. This influence is exerted by the creation of a public sentiment against State interference. In this private enterprise always has matters almost entirely its own way. The State has little interest in the subject. The people at large rarely attribute their burdens to the proper source. Things must reach the point of unendurableness before the public will appeal to the State for assistance. Meanwhile a constant stream of opposition to all forms of State interference, more or less ingeniously supported by plausible argument, is being poured out by interested parties. The result is, according to the principle already laid down, that current views which are unopposed will be generally accepted (Supra, 422, 433), that the State must over-

come an immense mass of prejudice before it can act in any case. It is fashionable to declaim against the so-called "bureaucracy" of modern times, but this is only a part of the attempt of sagacious capitalists to manufacture public sentiment to counteract the steady current of rational conviction toward the conclusion that society must arouse to its own interests and take the welfare of its members more directly into its own hands.

APPENDIX AA.

A BRIEF SUMMARY OF THE BILLS INTRODUCED IN THE HOUSE RELATING TO PARCELS POST.

- H. R. 2956. Gives post-office monopoly of matter admissible to the mails.
- H. R. 5596. Rural-route parcels, 11-pound limit.
- H. R. 2986. Parcels post, 11-pound limits, rates graded from 12 to 3 cents a pound.
- H. R. 6311. Parcels post, 12-pound limit, 8 cents a pound.
- H. R. 7603. Experimental rural route, 11-pound limit.
- H. R. 8286. Parcels post, 11-pound limit, 12 cents a pound, 5 cents a pound on 50-mile haul.
- H. R. 4444. Experimental parcels post, packages originating on rural routes; \$20,000 appropriation.
- H. R. 4027. Rural route for parcels, 25-pound limit, 2 cents first pound and 1 cent added pound. And general post for farm products to 25-pound limit, 2 cents first pound and 1 cent each additional pound.
- H. R. 1341. Experimental rural route, confined to four counties.
- H. R. 16. Urban delivery in towns of not less than 1,000 population.
- H. R. 14. Parcels post, limit 11 pounds, 8 cents a pound; provisions for insurance of packages; rural-route rates given.

Mr. UNDERWOOD. Mr. Chairman, before yielding to the gentleman from New York [Mr. PAYNE] I desire to be indulged for a moment to make a statement. On yesterday the gentleman from Wyoming [Mr. MONDELL] called my attention to the fact that on page 5 of the report on the bill under consideration the statement was contained reading—

As is well known, the Republican tariff legislation of 1909 was an honest revision in the public interest.

When the corrected proof sheets went to the Public Printer, as shown by the record in his hands now, that sentence read:

As is well known, the Republican tariff legislation of 1909 was not an honest revision in the public interest.

In some way, I know not how, after the corrected proof sheets went to the Public Printer that word "not" was dropped out. The Public Printer has reprinted the document so as to make it conform to the proof sheets, and the copies of the report that were here on yesterday, of course, are incorrect in that respect.

Mr. PAYNE. Mr. Chairman, I am very glad that the gentleman was right, even for a moment, although he changes it this morning and makes a wrong statement.

Mr. Chairman, I yield one hour to the gentleman from Illinois [Mr. MANN]. [Applause.]

Mr. MANN. Mr. Chairman, the bill before us is a bill entitled "To reduce the duties on wool and manufactures of wool." In presenting this bill to the House and to the country the chairman of the Committee on Ways and Means, the gentleman from Alabama [Mr. UNDERWOOD], leaves no doubt as to the policy which the Democratic Party proposes to pursue while it is in control of this House, or would propose to pursue if placed in control of the country. The distinguished gentleman from Alabama yesterday boldly and candidly avowed that in the preparation of the bill he gave no consideration to the interests of the producers of wool or to the interests of the manufacturers of wool. He boldly avowed that the bill was made wholly with a view to the production of revenue, without any regard to the interests of those in this country engaged either in the production of wool or woolen goods. And this declaration was one which met with approval, apparently unanimous, on the Democratic side of the House.

The speech of the gentleman from Alabama has not yet been printed in the Record, very naturally being held out over to-day for the purpose of proper revision and addition in the way of figures and statistics; but there has been printed in the Record the speech which the distinguished gentleman delivered in this House on the so-called farmers' free-list bill. In that speech the gentleman from Alabama stated:

Now, I do not propose to discuss this question from the standpoint of a protectionist, because I am not a protectionist, and neither is my party composed of protectionists.

Further, he said:

We do not believe in levying taxes at the customhouse for the benefit of any man or the benefit of any industry. Our position is that the taxes levied at the customhouse are for the sole purpose of producing revenue to support the Government of the United States, and that we are not justified in levying taxes for any other purpose. [Applause on the Democratic side.] Therefore, when we approach the question of putting articles on the free list, the sole point involved, so far as we are concerned, is whether the Government of the United States can dispense with the revenue derived from these articles.

Again he said:

But if you will lower your rates of duty to a point where reasonable and fair competition is arrived at, more goods will come into the

country, and consequently more revenue will be collected at the customhouses.

In presenting these schedules of the tariff bill to the House for consideration, we believe that by reason of a fair reduction in the tariff rates in the present schedules we will, instead of reducing, actually increase the revenue at the customhouses.

And again he said:

Now, our clear duty is to reduce the tariff on articles on which the present rates are prohibitive, and to increase the quantity of imports to a reasonable extent, and thereby increase the amount of revenue from the customs.

And again he said:

The difference between a free list made by you—

referring to the Republican side of the House—

and one made by us, is that you have always been in favor of making such a list either on articles that were noncompetitive in the American market and did not interfere with any manufacturing enterprise in the United States, or by putting articles on the free list to favor the American manufacturer.

Those statements, made before, were reiterated by the gentleman yesterday. They have been amplified by other gentlemen on the Democratic side of the House. The distinguished gentleman from New York [Mr. GEORGE], a new Member of the House, said, followed by applause on the Democratic side of the House, in his speech on April 18:

I look not only for the time, and I hope it may come speedily, when there shall be no tariff whatsoever north of us, but I look to see no tariff south of us, no tariff east of us, no tariff west of us, but perfect freedom of trade with all the world.

And the gentleman from Kentucky [Mr. CANTRELL] on April 28 said in a speech on the floor of this House:

Levy no tax save for revenue only.

And the gentleman from Indiana [Mr. CLINE] said in a speech published on the 29th of April:

The Democratic Party has stood for a hundred years for a tariff for revenue only. It has seen parties and "isms" founded upon unscientific economic theories come and go, and it continues to advocate with popular favor those essential principles announced by its founder.

And the gentleman from South Carolina [Mr. BYRNES] said in a speech published on May 2:

The Democratic Party, on the other hand, stands for a tariff for revenue only, this policy being determined in the councils of the party and declared in its platforms. It stands for a tariff for revenue as against the policy of the Republican Party of a tariff for protection with incidental revenue.

And the distinguished gentleman from Alabama [Mr. CLAYTON], long a Member of this House and long the chairman of the Democratic caucus, in a speech published on May 4 said:

The difference between the two parties is that the Democrats assert that the Government ought to levy duties primarily for the sole purpose of raising public revenue, and that this is the only rightful use of the power of taxation.

And the gentleman from Georgia [Mr. BARTLETT] said in a speech published on May 5:

I do not believe in exercising the power of the General Government to levy taxes upon the people except for revenue. * * * I would not levy a dollar for protection.

And the gentleman from Georgia [Mr. HARDWICK], logical as he is, a distinguished Member on that side of the House, a member of the Committee on Rules, now placed at the head of a great investigating committee, having the confidence of that side of the House, following the logic to its ultimate end of the statements made by the other gentlemen, said in a speech published on May 8:

Let us abandon this system of imposing duties on competitive articles and obtain our revenue entirely from noncompetitive articles, the sole exception being in the case of luxuries.

My construction of the time-worn battle cry of our party, "A tariff for revenue only," may not be the conventional one, but it is, I believe, the one that sound statesmanship suggests. As I interpret that phrase "only" is not an adverb of purpose, but is an adverb of effect, and duties should be laid not only for the sole purpose of obtaining revenue, but so as to have no other effect except to raise revenue.

On this side of the House we stand for that principle which leads to the encouragement and the development of industries in our own country, as against such industries in foreign countries. [Applause on the Republican side.]

We believe that it is better to make our goods and buy them from ourselves than it is to send our money abroad and buy them when made by foreign labor, as you would propose. [Applause on the Republican side.] You believe in raising revenue on noncompetitive articles; we believe in raising revenue on competitive articles. [Applause on the Republican side.] If you carry your logic to effect, as the gentleman from Georgia would, you will raise large revenue on those articles which can not be produced in the United States. We propose to raise revenue at the customhouses on articles which can be produced in the United States, so as to help the manufacturing and the labor employed in it at home rather than abroad. [Applause on the Republican side.]

Mr. Chairman, I come to the discussion of this bill with some embarrassment. I do not claim to have that full information

which I would like to possess if I were authorized myself to prepare a bill for presentation to the House. I am not wholly satisfied with the provisions in the existing law, but that state of mind is possibly based rather upon popular prejudice and ignorance than it is upon facts. I would not wish, if I could help it, to be compelled to pass upon the merits of the existing law without more complete knowledge than I have or I believe the gentlemen on the Democratic side of the aisle have. But I noticed yesterday that the distinguished gentleman from Alabama assumed that in preparing this bill he had information galore, more information than could be presented to him to advantage by a tariff board appointed for the purpose and now engaged in actually collecting information which would have a bearing upon this subject.

The distinguished gentleman from Alabama stated that they did not need to wait for information from the Tariff Board, assuming that they have ample information with which to decide this most intricate subject of tariff legislation, the woolen schedule. He gave as one of the reasons for the passage of this bill the condition of the finances of the country, and seriously read to the House a statement from the daily Treasury statement as justifying the provisions in this bill.

The distinguished gentleman from Alabama is a gentleman for whom I have the highest regard. I believe him to be as competent and capable as any man on the Democratic side, if I would not even place him at the top of the list. When he says that he needs no more information than he possesses in order to prepare a tariff bill and gives as one of the special reasons for the provisions in this bill the figures which he reads from the daily Treasury statement, we wonder whether his figures and his deductions are correct in that respect.

The gentleman from Alabama yesterday did not go into the details of figures to any great extent, but when it came to the question of the revenue and the amount of money to be collected by this Government for this fiscal year the gentleman was very bold and explained to us the basis of the bill; that the bill was prepared to meet conditions shown by the daily Treasury statement.

What was his statement? Holding in his hand the daily Treasury statement of receipts and disbursements under the date of June 5, 1911, showing the condition of the Treasury at the close of business June 5, 1911, he read from page 2, column 4, at the top of the page, that the total ordinary receipts for the fiscal year ending June 30 next would be, as estimated by the Treasury Department, for the entire year, \$625,071,413.90. In vain did the distinguished gentleman from New York [Mr. PAYNE] endeavor to furnish information to the gentleman from Alabama. The gentleman from Alabama, with that cocksureness which has led him to propose to the House this woolen-schedule bill, decried the efforts of the gentleman from New York and others to give him information in reference to the daily Treasury statement.

What are the facts of the case? The gentleman from Alabama prepared a bill, as he says, based on the statement which he made to the House, that the total ordinary receipts of the Government for this fiscal year up to June 30 is estimated to be \$625,000,000, while last year, as he stated, the receipts were \$675,000,000, and hence, under the Payne law, this year the receipts would be \$50,000,000 less than last year. He stated that he took his information from the statement issued by the Treasury Department in a Republican administration. The gentleman read from the column which is headed "This fiscal year ending June 30, 1911."

On that same page, following the item of ordinary receipts and disbursements, there is a column giving the receipts for this day, another column giving the receipts for this month, another column giving the receipts for this month of the last fiscal year, another column giving the receipts for this fiscal year ending June 30, 1911, another column giving the receipts to this date of the last fiscal year. It is to me the most surprising thing that I have witnessed since I have been a Member of this House—more than 14 years—that the distinguished gentleman, chairman of the Committee on Ways and Means, whose duty it is to provide legislation to raise revenue for the support of the Government, that this distinguished gentleman had never before, apparently, seen the daily statement of the Treasury Department showing the condition of the finances and did not understand what it means. [Applause on the Republican side.] Think of it. [Applause on the Republican side.] A chairman of the Committee on Ways and Means who does not know what the daily Treasury statement means, who can not read it intelligently or intelligibly! Now, everyone else than Members on that side of the House knows that that statement shows the receipts up to the end of that day, in this June 5 column, for the fiscal year ending June 30, 1911. That is what it says.

On the first of last July the Treasury Department issued a Treasury statement in form like this, with the same heading, in which it gave the receipts for the fiscal year up to the end of the first day of July, and on every day since it published a statement giving the receipts up to the end of the day for this fiscal year. That is what it did in this statement. The gentleman said that the statement showed that the estimated receipts under the Payne law for the entire fiscal year were \$625,000,000. How lucky it was for him that he did not happen to get the statement of the day before, because if he had gotten the statement of the day before he would have found that the receipts for the fiscal year were to be \$623,959,000; and if he had gotten the statement for June 2 he would have discovered that the receipts for the entire fiscal year were only to be \$619,000,000 instead of \$625,000,000.

If he had gotten the statement for June 1 he would have discovered that the receipts for the entire year were to be only \$617,000,000, and yet this gentleman prepared a bill and presented it to the House as a revenue measure, not understanding either the receipts of the Government or the common daily statement of the Treasury Department. [Applause on the Republican side.] The gentleman read a statement of June 5. If his speech had been a day delayed he would have read the statement of June 6. Yesterday he stated that the estimated receipts were \$625,000,000 for the entire fiscal year, but if he had waited until to-day he would have stated that the estimated receipts were \$627,000,000. [Applause on the Republican side.] That is the basis of this bill. That is the basis upon which the gentleman from Alabama stated they have knowledge enough to prepare a woolen schedule bill—that they do not need the knowledge for the Tariff Board. He said, in effect: "We require no further investigation of the subject; we know." Now, Mr. Chairman, it is proper to state in this connection that the very statement which the gentleman yesterday held in his hand, by which he was endeavoring to prove, by his lack of knowledge of the statement, that the receipts would fall short \$50,000,000 from what the receipts were last year—that very statement shows that the receipts up to that date were more than \$21,000,000 greater than they were last year, and that the receipts were over \$9,000,000 this year up to date in excess of the expenditures. [Applause on the Republican side.] But I presume that the gentleman did not understand those figures.

Mr. PAYNE. Will the gentleman allow me a suggestion—
Mr. MANN. Certainly.

Mr. PAYNE (continuing). Not for his benefit, but for the benefit of the gentleman from Alabama. If he should take, now, the statement of June 6 he would find that the additional sum making up the \$627,000,000 was just exactly the statement of the receipts for yesterday. Now, I only wanted to get the A B C of the matter of the statement before the gentleman from Alabama and before some of the intelligent Members on that side of the House.

Mr. MANN. Perhaps it would be wise to follow the suggestion of the gentleman from New York [Mr. PAYNE] and for a moment conduct a school for the benefit of the gentlemen on the Democratic side of the House.

Mr. PAYNE. A sort of kindergarten experience.

Mr. MANN. Yes. The gentleman from Alabama stated yesterday—

Mr. BUCHANAN rose.

The CHAIRMAN. Will the gentleman from Illinois [Mr. MANN] yield to his colleague [Mr. BUCHANAN]?

Mr. MANN. Certainly.

Mr. BUCHANAN. The gentleman stated in his remarks that he based his information on public ignorance, I believe.

Mr. PAYNE. He did not say any such thing.

Mr. MANN. I am better skilled in using parliamentary language than my colleague from Illinois is, and I do not use unparliamentary language.

Mr. BUCHANAN. I possibly misunderstood the gentleman. I understood you to say—

Mr. HAMILTON of Michigan. That is a demonstration of the truth of the gentleman's statement, then.

Mr. BUCHANAN. What I did want to ask is, that if your statement is based on that information, having been here 14 years, I believe, how much would a Member know if he were here twice that long? Would he know anything?

Mr. MANN. I am frank to say that in the case of my colleague it would be somewhat doubtful. [Laughter.]

Now, Mr. Chairman, the gentleman yesterday stated that the receipts for the fiscal year were estimated to be \$625,000,000 plus. He took those figures from a column which gives the ordinary receipts for this fiscal year up to the end of June 5, and if he will examine, or other gentlemen on that side of the House will examine, the statement of yesterday there will

be found under the first column "Receipts for this day, \$2,509,137.19," and if they will take the trouble to add the receipts for yesterday to the figures given by the gentleman from his column yesterday, \$625,071,413.90, that will make the sum given in the same place in the statement for yesterday \$627,580,551.09.

And if the gentlemen on that side of the House, now that they have commenced the serious study of revenue measures, will examine this statement from day to day they will discover that every day the receipts for that day are given, and that if the receipts for that day are added to the "total receipts for the fiscal year" of the previous day, they will equal the "receipts for the fiscal year" in the daily statement.

I am somewhat surprised that it is necessary to give this information to gentlemen on that side of the House. Both the gentleman from New York [Mr. PAYNE] and myself yesterday endeavored to prevent the gentleman from Alabama [Mr. UNDERWOOD] crawling into a hole from which there was no escape, but, with a fatuousness which the gentleman seldom exhibits, he insisted upon it. And it was perfectly evident, as suggested over here yesterday, that there was no Member on the Democratic side of the House who knew any better. [Applause on the Republican side.] And, of course, they applauded the gentleman from Alabama as though he was a rooster that had just emerged triumphantly from a cockfight. [Laughter.]

The statement made by the gentleman from Alabama [Mr. UNDERWOOD] that the estimated ordinary receipts of the Government for the fiscal year which ends on the 30th of this month were \$625,000,000 for the year was not only based upon a lack of knowledge and understanding of the daily Treasury estimate, but is very wide of the real estimate of receipts. In the annual report of the Secretary of the Treasury submitted last November or December he estimated the ordinary receipts of the Government for this fiscal year at \$678,000,000, as against estimated ordinary expenditures of \$662,000,000, or an estimated surplus of \$16,000,000. I am informed now that the present estimates of the Treasury Department place the estimated ordinary receipts for the fiscal year ending June 30 next at \$685,000,000 and the estimated ordinary expenditures for the year at \$660,000,000, showing an estimated surplus of \$25,000,000 under the operation of the existing Payne tariff law. If this statement could only be inserted in the speech of the distinguished gentleman from Alabama [Mr. UNDERWOOD], what would there be left of the reason given by him for bringing in this present bill with the rates of duty named in it?

PROTECTION AND REVENUE.

Mr. Chairman, I wish to detain the House for a short time in discussing this bill from two standpoints—first, from the standpoint of a protective tariff; and, second, from the standpoint of a revenue tariff; first, what its effect is as to protection and upon the industries of the country; and, second, as to its fairness, if passed, in the raising of revenue as a revenue measure.

The bill proposes to put an ad valorem tariff of 20 per cent, equivalent to about 5 cents a pound, on wool and to reduce the tariff on woolen goods, and it is stated by the gentlemen making the report that the average ad valorem rate of duty on woolen goods is fixed by this bill at 42.55 per cent, and that the average ad valorem rate of duty under the Wilson law was 47.84 per cent; in other words, that by this bill it is proposed to levy an ad valorem rate of duty on woolen manufactures 5 per cent in the percentage less than under the Wilson law, or 42½ per cent practically, as against 47½ per cent under the Wilson law.

Under the Wilson law wool came in free. Under this bill it is proposed that the manufacturer shall pay a tariff duty of 20 per cent on wool, and yet that woolen goods shall be protected less than they were under the Wilson law when wool was free. When I first saw this bill I felt like welcoming the gentleman from Alabama into the protective ranks. He proposed to put a tariff on raw wool, purely a protective tariff, so far as it is concerned. To that extent he has been compelled to yield to gentlemen on that side of the House who are interested in the production of wool and the growth of the sheep business. There has always been a controversy in the country as to whether raw materials, so called, should be protected by tariff taxes. The Wilson law gave free wool to the manufacturer and 47 per cent protection in the way of a tariff on the manufactured article. This bill proposes to compel the manufacturer to pay about 5 cents a pound more for his high-grade wools and from 2 to 3 cents more a pound for his carpet wools, and to reduce the protection on the manufactured articles from the amount carried by the Wilson law.

Now, what is the effect of this? We consume in the United States, according to such information as I have been able to get, probably between 500,000,000 and 600,000,000 pounds of

wool a year. The average for a number of years has been much less than that, but probably it is now—under our protective system fostering the industry—probably it is up where we consume in the neighborhood of 550,000,000 to 600,000,000 pounds of wool including in that probably shoddy and waste reduced to wool in the grease. We imported last year about 250,000,000 pounds of wool in the grease and produced apparently about 300,000,000 pounds of wool in the grease, it being impossible to ascertain absolutely, because it is not possible to reduce all wool to wool in the grease in the form in which it comes to the market. Bear in mind, we produced in the neighborhood of 300,000,000 pounds of wool in this country last year, possibly a little more.

What, now, is the proposition in the bill and in the estimates made by the committee in reporting it? They estimate that there will be an increase in the importation of wool from \$47,687,293 worth to \$66,991,000 worth, or an increase in the importation of raw wool of \$19,303,706 worth. The average value of class 1 wool imported last year was 18.6 cents per pound; and if the average value for the first fiscal year that this bill would be in operation were the same, there would be, with the estimate that the gentleman has made, an increase in the importations of wool of 103,783,370 pounds.

That is, according to the estimate made by the gentleman on this bill in presenting it, we are to import each year raw wool to the extent of over 103,000,000 pounds more than we imported in the year 1910, which was our banner year. What more? The gentleman estimates that we will import of noils and waste—noils being the product that comes out when wool is combed to make worsteds and used in the manufacture of other woolen goods—the estimate is that the increased importation of noils will be \$686,990.75 worth, an increase from \$203,509 to \$890,500. The average value of noils imported was 35.2 cents per pound, and that would give an increase of 195,167 pounds. Noils reduced to wool—that is, multiplied by two, as a low estimate—would give 390,335 pounds.

The committee reporting the bill reported estimates of increased importations under the bill over those for the last fiscal year under the present Payne law. I have reduced those estimates to raw wool, except as to carpets and rugs, as follows:

Paragraph 3.—Combed wool, roving, etc.

Estimated importations	\$732,500.00
Actual importations	1,129.80

Estimated increase of importations	731,370.20
divided by average value per pound, \$0.537, equals estimated increase in pounds, 136,195, multiplied by 3, equals pounds wool in the grease, 518,585.	

Paragraph 4.—Yarns.

Estimated importations	\$1,373,900.00
Actual importations	326,886.02

Estimated increase of importations	1,047,013.98
divided by average value per pound, \$0.908, equals estimated increase in pounds, 115,309, multiplied by 3, equals pounds wool in the grease, 345,927.	

Paragraph 5.—Cloths, knit fabrics, etc.

Estimated importations	\$24,062,400.00
Actual importations	6,658,288.07

Estimated increase of importations	17,404,111.93
divided by average value per pound, \$1.04, equals estimated increase in pounds, 16,734,723, multiplied by $3\frac{1}{2}$, equals pounds wool in the grease, 58,571,530.	

Paragraph 6.—Blankets and flannels.

Estimated importations	\$258,400.00
Actual importations	168,889.82

Estimated increase of importations	89,510.18
Estimated 1 pound for \$1 gives increase in pounds, 89,510, multiplied by $3\frac{1}{2}$, equals pounds wool in the grease, 313,285.	

Paragraph 7.—Women's and children's dress goods, linings, etc.

Estimated importations	\$25,408,500.00
Actual importations	9,218,374.10

Estimated increase of importations	16,190,125.90
Estimated 1 pound for \$1 gives estimated increase in pounds (ultra conservative), 16,190,125, multiplied by 2 (one-half wool), equals pounds wool in the grease, 32,380,250.	

Paragraph 8.—Ready-made clothing, wearing apparel, etc.

Estimated importations	\$5,066,400.00
Actual importations	1,776,236.34

Estimated increase of importations	3,290,163.66
divided by average value per pound, \$2.06, equals estimated increase in pounds, 1,597,168, multiplied by 4, equals pounds wool in the grease, 6,388,684.	

Paragraph 9.—Webbings, gorings, suspenders, etc.

Estimated importations	\$160,900.00
Actual importations	77,161.70

Estimated increase of importations	83,738.30
divided by average value per pound, \$1.85, equals estimated increase in pounds, 45,263, multiplied by 2, equals pounds wool in the grease, 90,526.	

Under the figures submitted by the distinguished gentleman from Alabama, of the estimated increases which he says that he and the Treasury Department have figured out, the total increases for the first fiscal year of operation under the new bill would amount to increased importations of wool in the grease, and clothing and cloth reduced to wool in the grease, of 202,782,472 pounds. Here is a statement, made by the chairman of the committee in submitting this bill, which proposes that under the bill there will be an increase in importations of wool or manufactured articles reduced to wool amounting to over 200,000,000 pounds of wool more than is now imported, when our entire production of wool in this country is now in the neighborhood of only 300,000,000 pounds of wool in the grease.

Mr. UNDERWOOD. Mr. Chairman, if the gentleman from Illinois will allow me—

Mr. MANN. Certainly.

Mr. UNDERWOOD. I am not responsible, and I do not want it to go into the RECORD as if I appeared to be responsible, for the gentleman's statement in pounds. The gentleman is inaccurate in his estimate when he counts $3\frac{1}{2}$ pounds of wool into a pound of cloth. He overlooks the part of the wool that is used for noils, and this foreign wool does not shrink to the extent that the gentleman makes his estimate. So, therefore, unless the gentleman can produce figures that I have seen nowhere, he can not sustain that estimate, because he can not prove that this foreign wool takes $3\frac{1}{2}$ pounds to make a pound of cloth. As nearly as I can estimate, on the average foreign wool of first and second class that comes in here, $2\frac{1}{2}$ pounds would be a full estimate for the shrinkage.

Mr. MANN. But, Mr. Chairman, it makes no difference whether foreign wool shrinks. If the foreign wool does not shrink any at all when made into cloth, on this increase it takes the place of that much American wool which does shrink. [Applause on the Republican side.]

Mr. UNDERWOOD. The gentleman is taking the estimate of dollars of cloth that would come in and then figuring that it takes $3\frac{1}{2}$ pounds of foreign wool to make up 1 yard of cloth. So he is making his estimate of the foreign wool that comes in.

Mr. MANN. I am making my estimate of what American wool will be displaced by the importation the gentleman speaks of. [Applause on the Republican side.] I have made an exceedingly low estimate, because, on the average, American wool will not produce a pound of cloth from $3\frac{1}{2}$ pounds of wool in the grease.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. MANN. I will yield to the gentleman.

Mr. MARTIN of Colorado. Assuming the gentleman's figures as to the increased importations to be true, does the gentleman hold that under the proposed bill domestic wool will be displaced to that extent?

Mr. MANN. Well, I propose to discuss that in a moment.

Mr. MARTIN of Colorado. Because I want to suggest to the gentleman an illustration showing the inaccuracy and unreliability of determining a result by statistics.

Mr. MANN. The gentleman from Colorado and I will wholly agree about that. I am only taking the statistics and analyzing them as presented by the committee of the party of which the gentleman is a member, following caucus action, assuming that is the basis of this bill. I am examining the bill now from a protective standpoint, and I will later examine it from a revenue standpoint.

Mr. MARTIN of Colorado. The gentleman does not care to answer whether the American wool will be displaced to the extent of the figures given by him—202,000,000 pounds—by reason of increased importation?

Mr. MANN. I think probably it would be displaced if the importations actually occur.

Mr. MARTIN of Colorado. The gentleman does not think that the importations will actually occur however?

Mr. MANN. I do not know whether they will or not. Nobody knows, that is the estimate of the gentleman from Alabama. Whether they will actually occur or not I do not know. I do not pretend to know these things. If I had my way about it I would wait, in making up a tariff bill, until I had the complete and intelligent report from the Tariff Board appointed by this Government for the purpose of acquiring information, so that I would have information and not be proceeding blindly and in the dark. [Applause on the Republican side.]

Mr. MARTIN of Colorado. The gentleman from Illinois is usually very kind about yielding for interruptions.

Mr. MANN. I gladly yield to the gentleman.

Mr. MARTIN of Colorado. I have worked out a brief illustration on the point he has touched upon and I would like to call it to his attention.

Mr. MANN. I do not object.

Mr. MARTIN of Colorado. The gentleman states, in the minority report, he has increased the figures somewhat—

Mr. MANN. I did not write the minority report.

Mr. MARTIN of Colorado. That there would be increased importation, to meet the revenue estimated by the majority, of 189,421,147 pounds of wool. Now, assuming that the wool consumed in the United States next year will be the same as it was last, that is, 581,000,000 pounds, and that this 189,421,000 pounds will displace that amount of domestic wool, that would seem to be the point the gentleman is driving at, that would mean that next year, instead of producing 55 per cent of the total consumption of the wool in this country, we would produce but 22½ per cent. That would be the shrinkage in order to make room for that displacement. I have looked at the figures under the Wilson bill and I find in the last year under that bill, 1897, the American wool production in round numbers was 260,000,000 pounds, which was more than 80 per cent of what we produced last year.

Of course, as everybody well knows, and I do not think it needs to be reiterated here, I am anxious to find out the truth, for I think I have as much interest in this measure as anybody, and if I had to draft a wool schedule perhaps it would not suit either side. But I can not find any basis, even taking the Wilson bill in the worst year—the bill being attended by conditions for which it was in nowise responsible—I say I can not find any basis to justify the assumption that the estimates made by the minority of increased importation will displace that amount of domestic wool. Leaving all figures out, I am confident I could make the prediction that the production of domestic wool will not be reduced to 22½ per cent of the total amount. I doubt very much whether it will be reduced below one-half of the consumption in this country, and if it does not reduce far below one-half, the gentleman's deduction absolutely fails.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. MANN. Mr. Chairman, in just a minute. A little knowledge, Mr. Chairman, is always a dangerous thing. I do not criticize my friend from Colorado [Mr. MARTIN], because he, like me, is in need of some information from some responsible body on this subject; but on this particular subject I can give him the information he has been seeking. The gentleman states that during the time of the Wilson bill the production of wool in the United States did not fall off in the manner in which he might think I was endeavoring to demonstrate; that is, although there were large importations under the Wilson bill, the production of wool did not cease. The production of American wool in 1896 was 272,000,000 pounds; in 1897, 259,000,000 pounds. The importations of wool in 1897 were 356,000,000 pounds. I was endeavoring to show how the increased importations would take the place of American wool.

Mr. MARTIN of Colorado. I would like to know where the gentleman got those figures. I have a table here from the Agricultural Department showing the importations were 350,000,000 and odd pounds in 1897.

Mr. MANN. That is very likely. I have the table of the Woolgrowers' Association, which is usually considered substantially correct. No one denies that. The gentleman's own committee uses it in the figures it gives. The official figures are the same.

Mr. HUGHES of New Jersey. I will state to the gentleman that the committee is compelled to use it for the reason that the Agricultural Department takes the woolgrowers' figures.

Mr. MANN. I understand. I do not suppose they are absolutely accurate, but I think everybody relies on these figures as being substantially accurate, or as nearly accurate as anybody can collect them at this time.

The CHAIRMAN (Mr. LAMB). The time of the gentleman has expired.

Mr. PAYNE. Mr. Chairman, I yield the gentleman one hour more.

Mr. MANN. Mr. Chairman, the gentleman from Colorado [Mr. MARTIN] assumes that because there were large importations and a large production of wool that year that it was consumed that year, but the gentleman from Colorado is wise enough to know that if men have sheep they will shear them, but that if the importations and the production go away beyond the consumption that soon the man will be compelled to cease keeping sheep. What are the facts? In 1897 the American wool produced was 259,153,251 pounds. The importation of wool amounted to 356,839,482 pounds and, in addition, 44,505,470 pounds of waste, shoddy, and rags. There were carried over from the previous year 393,986,523 pounds, and there were consumed 460,000,000 pounds. According to the estimate of the Wool Growers' Association, there were carried over 794,000,000 pounds of wool, including an estimated arbitrary addition of

200,000,000 added to cover the increased efficiency of 113,958,915 pounds of wastes and shoddy imported in 1895, 1896, and 1897 over grease wool. At the end of 1908 there were carried over only 228,000,000 pounds of wool. Wool is not like radishes; it is not like raw vegetables; it does not even require to be placed in cold storage to keep. It was produced in 1897, but not consumed. What is the effect of an overproduction carried on for years? It is calamity and destruction to the production. [Applause on the Republican side.] That is exactly what was happening to the wool-production industry in the United States when the people changed the policy of the country and the Dingley law was passed. [Applause on the Republican side.]

Mr. MARTIN of Colorado. I will say there it is not necessary to confine that to one year. You can take that whole depressed period through there.

Mr. MANN. I have the figures for the entire period from 1896 to 1908, and I will be very glad to give them to the gentleman, or refer him to page 5251 of the hearings on the Payne tariff bill.

Mr. MARTIN of Colorado. I think the gentleman will find, considering the depressed conditions of that period of time, for which the Wilson bill was not responsible at all [cries of "Oh, no!" and laughter on the Republican side]—oh, I was one of those fellows who was burning corn in Kansas for several years prior to the enactment of the Wilson bill, because it was not worth hauling to town, so I have some actual experience on this question. [Applause on the Democratic side.]

Mr. MANN. I do not now want to discuss that subject with the gentleman. I am willing to discuss the proposition with the gentleman, but I can not permit the gentleman in my time to get up a controversy with somebody else in the House.

Mr. MARTIN of Colorado. I want to say that, considering those depressed conditions, when people were not able to buy things if they were cheap, wool production was fairly sustained relatively throughout the entire period, indicating that even free raw wool was not able to destroy the wool industry of the United States.

Now, the gentleman starts out with a line of reasoning, backed by statistics here, that would go to indicate that even under the vastly different conditions now obtaining, with the 20 per cent ad valorem tariff, American production will be absolutely displaced in this country.

Mr. MONDELL. Mr. Chairman, will the gentleman yield—

Mr. MANN. I do.

Mr. MONDELL. The gentleman from Colorado has been endeavoring to elucidate the situation. For the benefit of the gentleman from Illinois and the House generally I suppose the gentleman from Illinois would have no objection to the gentleman from Colorado enlightening us as to the comparative prices that the woolgrowers in his locality received for their wool during the Wilson bill as compared with the prices they received prior to the passage of that bill.

Mr. MANN. Well—

Mr. MARTIN of Colorado. Let me answer—

Mr. MANN. I think not. Mr. Chairman, I have great sympathy for the gentleman from Colorado. I have yielded very generously to him. I have great sympathy for any man who has the steam roller applied to him, because I know how it is myself now. [Laughter.] The gentleman has been knocked down and run over. [Laughter.] He is compelled to kiss the hand that smites him. [Applause on the Republican side.] He has to vote for a bill that will help destroy the industries in his State, and he is surely between the devil and the deep blue sea. If I can afford any comfort to him, a lone mariner on a wild waste, I will be most glad to do it. [Laughter and applause on the Republican side.]

Mr. MARTIN of Colorado. The gentleman seemed to be threatening to drive me deeper in and I wanted to head him off.

Mr. HUGHES of New Jersey. Mr. Chairman, will the gentleman yield for a question?

Mr. MANN. I yield for a question.

Mr. HUGHES of New Jersey. I am trying to find out whether or not the gentleman and myself agree. It seems to me there is one element that the gentleman has left out in calculating whether or not foreign wool will displace domestic wool. Has the gentleman taken into consideration the well-known fact, as I have no doubt the hearings to which he has referred disclosed, that vast quantities of shoddy and cotton are now incorporated into so-called woolen fabrics because of the tremendous duty on wool and of the extraordinary high duties upon woolen fabrics?

Mr. MANN. I will reach that in a moment, I think.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield for a question?

Mr. MANN. I yield for a question.

Mr. MOORE of Pennsylvania. Before the gentleman leaves the revenue question. This is the question: Is it not a fact that unless foreign wool is imported to the extent indicated by the figures the gentleman has given in his analysis, displacing American wool to that extent, the plan of the opposition in raising revenue upon wool importations must fail?

Mr. MANN. Mr. Chairman, I think the gentleman from Pennsylvania is correct. The gentleman from Alabama questioned the figures which I gave and the deductions which I made. In the first place, Mr. Chairman, I venture to say that on the average raw wool does shrink so that it will require $3\frac{1}{2}$ pounds of wool to make 1 pound of cloth (not women's dress goods). But whether it does or not, it makes no difference with the argument which I am making, because when a pound of cloth is imported it takes the place of a pound of cloth which would otherwise be made in this country, and takes the place of wool which would otherwise be raised in this country, and the average shrinkage of the wool of this country from the wool in the grease to the scoured wool is nearly 3 pounds, and before it reaches the cloth is more than three pounds and a half on the average, and when I made my estimate on women's and children's dress goods, which are not imported by the pound and which do not consist entirely of wool, I did not take the estimate even so high as that made by the committee. They report in their schedule attached to the bill that they figure 3 pounds of wool in the grease for each pound or dollar's worth of cloth or dress goods.

On the contrary, when I made my figures on women's and children's dress goods, I only took $2\frac{1}{2}$ pounds of wool to each dollar's worth of dress goods.

Mr. HULL. To understand the gentleman more fully, I would like to inquire whether he agrees with this statement made by Mr. S. N. D. North, who was one of the authorities on the wool question, and who is reported to have been largely instrumental in securing an enactment—

Mr. MANN. Now, Mr. Chairman, if the gentleman wants to ask me a question as to a fact, I will be glad to answer it. I do not remember Mr. North's testimony. If he wants to ask me a question on the facts, I will be glad to answer him if I have the ability so to do.

Mr. HULL. I wish to know if the gentleman agreed, and, if he did not agree, what reason he had for not doing so? But if the gentleman declines—

Mr. MANN. I decline simply for the reason given. One of several things is absolutely true and not escapable. If we increase the importation of wools and woollens to the extent which has been proposed and estimated for by the committee, there will be a reduction in the use of American wool or increased consumption in the woollen goods produced. Either we will make less woollen goods out of American wool or stop using some other kind of goods and use woollen goods in their stead, or increase the consumption of all kinds of goods. Now, gentlemen may say that we will increase vastly the consumption of woollen goods because we cheapen their price. No one here believes there will be any great decrease in the price of manufactured clothing to the consumer. And no one here believes there will be any great increase in the consumption of these goods. When the Wilson bill was made the law there was no increase in the consumption of goods. Gentlemen say it was because of the hard times. Very well; that may be true. But there will be no substantial increase in the consumption of woollen goods or other goods, because in the main the people of the United States are now able to buy those goods which are essential to their comfort and to their convenience.

The gentleman from New Jersey [Mr. HUGHES] suggests that under this bill the manufacturers will use American wool instead of shoddy. There is now a prohibitory tariff on shoddy of 25 cents a pound, I believe. The shoddy that is produced in this country is used; shoddy is too valuable to throw away. It makes fairly valuable filling, and very few men who are not experts can tell the difference between woollen cloth with shoddy and woollen cloth without shoddy while it is new. Shoddy does not wear so long. It is not so valuable. But now manufacturers can not use shoddy, except that which is produced in this country. But under this bill, as under the Wilson law, there is an invitation to import shoddy from abroad; and England manufactures over 600,000,000 pounds of shoddy a year, which she largely exports and which will largely come to this country, to be used in the clothing of the poor and to swindle the poor, under this bill. [Applause on the Republican side.]

Mr. HUGHES of New Jersey. Mr. Chairman, I would like to ask the gentleman, who is consuming the shoddy now, the poor or the rich?

Mr. MANN. The poor of other countries are consuming the shoddy now. [Applause on the Republican side.] Let me tell the gentleman that the only army in the world that does not wear shoddy clothing is the American Army. [Applause on the Republican side.] And the only poor people in the world who wear woollen clothing that is not shoddy are the American people. [Applause on the Republican side.]

Mr. RUCKER of Colorado rose.

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Colorado?

Mr. MANN. I do.

Mr. RUCKER of Colorado. I am in sympathy with the statement the gentleman has made, and I would like to know if it would not be a very good answer to the gentleman from New Jersey that that is the only way that there can be any greater consumption of goods, namely, by getting the shoddy into it so that it will wear out? In other words, is not there a limit to staying awake nights in order to wear out clothing?

Mr. MANN. The gentleman suggests a proposition. It is quite likely, under the suggestion of the two gentlemen on that side of the House, that there will be an increase in the consumption of woollen goods under this bill, because they will largely be made of shoddy, which will wear out so soon that you will have to buy a new suit. I prefer to give men good clothing, made from American wool, rather than shoddy clothing, which is valueless, made from foreign shoddy. [Applause on the Republican side.]

Mr. RUCKER of Colorado. And, therefore, if it is good woollen goods there can not be any great amount more of consumption?

Mr. MANN. I was going to say that I think there can not be, except in this respect:

It is undoubtedly true that a considerable quantity of clothing, especially for women and children, and underwear is now made by the mixture of cotton with wool. Many people do not like to wear pure woollen underclothing; at least most people do not wear it. To-day there is an advantage to the manufacturer in combining cotton with wool in many classes of goods, and I am amused at the anxiety of the gentlemen from the South to cut off one of the sources of the consumption of cotton in order to increase the production of wool in Argentina and Australia. [Applause and laughter on the Republican side.]

Some people believe it is not desirable to wear woollen underclothing all the time. I do not know what my distinguished friend, the doctor from Illinois [Mr. FOSTER], would say about that. I used to think it essential, and used to wear woollen underclothing winter and summer—a very light wool in the summer time.

Mr. FOSTER of Illinois. I would suggest to my colleague from Illinois that, especially in wintertime, would I think people living in a cold climate should wear woollen underclothing, and it ought to be made cheap enough so that they could afford to buy it. [Applause on the Democratic side.]

Mr. MANN. I think that is true, and yet many people believe it is not desirable to wear woollen underclothing in the summer time, and there is a very respectable belief now that woollen underclothing is not healthful. While I have not that belief—

Mr. FOSTER of Illinois. I am very glad to know that my colleague has not gone to that extent. [Laughter.]

Mr. MANN. The gentleman knows that a great many people now wear underclothing of the same weight and of the same kind throughout the year, and they insist that it is far more healthful.

Now, one of the great arguments made by all the people who have testified for cheaper wool and free wool is that it will enable the manufacturers to use less cotton and more wool. I do not know whether that is true or not; but I am just as much opposed to cutting off the use of cotton in this country in manufactures as I am to the cutting off of the use of wool. I think, Mr. Chairman, that the greatest sign in our country of a lack of intelligent scientific government is the fact that we export—what is it—\$600,000,000 worth of cotton to be manufactured abroad instead of sending the manufactured product abroad. [Applause on the Republican side.]

Now, Mr. Chairman—

Mr. BARTLETT. May I ask the gentleman a question right there?

Mr. MANN. Certainly.

Mr. BARTLETT. The gentleman says that he regrets we can not manufacture all the cotton. Is it not a fact, with the increased establishment of cotton manufacturing all over the South and elsewhere, they have been unable to consume more than one-third of the product of the cotton crop?

Mr. MANN. Well, I take the gentleman's figures for it. I do not remember the exact proportions.

It is another noteworthy fact, Mr. Chairman, that if that side of the House deals with the cotton schedule as it is now proposing to deal with the woolen schedule, there will be still more cotton sent abroad and fewer manufacturing establishments running in the South. [Applause on the Republican side.]

Mr. BARTLETT. May I interrupt the gentleman further?

Mr. MANN. Certainly.

Mr. BARTLETT. I want to say to the gentleman that my judgment is that his opinion is erroneous.

Mr. MANN. I have no doubt about that.

Mr. BARTLETT. So far as I am informed—and I live in a district where there are a number of cotton manufactories—the cotton manufacturers in the district which I represent, and I believe in most of the districts of the South, desire not protection but broader markets to sell their products in. [Applause on the Democratic side.]

Mr. MANN. I am in favor of giving them broader markets. And that reminds me, Mr. Chairman, of a query: Is this bill designed to give broader markets to the American manufacturer of woolen goods? You propose to make him pay 5 cents more a pound for the wool he uses in competition with the free wool used in Great Britain and Germany and France. Can he sell any goods in the markets of the world outside of the United States under such a condition? Is this bill designed to broaden the markets of America? It is a bill which levies a tariff of 5 cents a pound on wool. Is that designed to broaden the markets of the American manufacturer?

Mr. AUSTIN. If the gentleman from Illinois will permit me—

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Tennessee?

Mr. MANN. Certainly.

Mr. AUSTIN. I wish to state that one of the largest cotton manufacturers of the district that I have the honor to represent on this floor was here during the present week. He was not only a prominent and influential manufacturer, but a leader of the Democratic Party. He was here attending a conference at the New Willard Hotel of the representatives of the northern and southern cotton manufacturing plants for the purpose of appealing to this Democratic Congress not to make any change in the present cotton schedule. [Applause on the Republican side.]

Mr. HUGHES of New Jersey. Is there anything unusual about that? [Laughter.]

Mr. MANN. Now, Mr. Chairman, the gentleman from Alabama on yesterday stated that when they proposed an ad valorem tariff on raw wool, in "justice" to the manufacturer, they had put a higher tariff on the manufactured product. On this side of the House we call it "a protective tariff." On that side of the House the gentleman from Alabama calls it "justice." It is both. A protective tariff is justice. [Applause on the Republican side.]

Mr. UNDERWOOD. The gentleman misquoted me.

Mr. MANN. I did not intentionally misquote the gentleman.

Mr. UNDERWOOD. I was simply talking about the case where you carry a compensatory duty on the finished product. That is justice, not a tariff levied to protect the manufacturer; not at all.

Mr. MANN. Do I misunderstand the gentleman? He stated that because there was an ad valorem duty on raw wool, therefore, in justice to the manufacturers, they had fixed the duty on the manufactured article at such a rate—

Mr. UNDERWOOD. Oh, no.

Mr. MANN. What is the basis of the gentleman's objection to my statement?

Mr. UNDERWOOD. I simply said that where you put a tax on raw wool it was necessary, in justice to the manufacturer, to carry into the finished product sufficient ad valorem taxation to equalize that amount.

Mr. MANN. Absolutely, that is to protect the manufacturer from the effect upon him of a tariff on the raw material.

Mr. UNDERWOOD. Oh, no. Not protection at all.

Mr. MANN. The gentleman called it "justice." I call it protection. It means the same thing, because it accomplishes the same result. [Applause on the Republican side.]

Mr. UNDERWOOD. That is where the gentleman is wrong. We carried into the tariff an ad valorem duty of 10 per cent as a matter of justice to the manufacturer. The gentleman from Illinois [Mr. MANN] would be repudiated by his Republican side of the House if he said an ad valorem tax of 10 per cent on wool was protection.

Mr. MANN. Oh, but the gentleman carries an ad valorem duty of 20 per cent on wool, and because of that tariff on wool he carries an additional ad valorem on the manufactured prod-

uct of 10 per cent to compensate the manufacturer and protect him from the foreign manufacturer, because the American manufacturer has to pay the tariff on wool—absolute protection, a compensating protection. I do not complain of it. The gentleman from Alabama calls it justice. I call it protection; but it would be still more just if the figures were better aligned with each other. It is protection, though it is not ample protection.

Now, Mr. Chairman, on that subject let us see whether they have given compensation to the American manufacturer.

Assuming the average import value of cloths at \$1 per pound, which is slightly less than \$1.04 per pound, the actual value for the last fiscal year, and taking the average ad valorem rate under the Payne law of 97.11 per cent, would give a duty per pound of 97 cents on woolen cloth imported last year.

If we assume 4 pounds of wool in the grease per pound of cloth and take off the compensatory duty of 44 cents, it would leave a protective duty per pound of 57 cents under the Payne law.

Or, if we assume 3 pounds of grease wool to 1 pound of cloth, and subtract 33 cents from 97 cents, it would leave a protective duty under the Payne law of 64 cents a pound.

Under the Underwood bill, assuming the same import value per pound, the duty would be 40 cents a pound.

The average value of class 1 wool imported was 23 cents per pound, of which 20 per cent would be 4.75 cents; or, assuming 4 pounds of grease wool to 1 pound of cloth, it would amount to 17 cents that the manufacturer pays on wool for each pound of cloth made, as wool duty; and, subtracting 17 cents from the 40 cents actual duty, would leave the manufacturer a protection of 23 cents per pound, on the basis of 4 pounds of wool and 1 pound of cloth, under the Underwood bill, instead of 57 cents under the Payne law, a reduction of 34 cents protective duty per pound, or a reduction of 60 per cent of the protective duty of the present law.

Or, if we assume 3 pounds of grease wool to 1 pound of cloth, the manufacturer would pay three times the wool duty on 1 pound, or 14½ cents wool duty per pound of cloth, which, subtracted from 40 cents, would leave 25½ cents as the actual protective duty under the Underwood bill, as against 64 cents under the Payne law, a loss of 38 cents a pound.

The ad valorem duty fixed upon the woolen manufactured product in the pending bill is in nowise compensatory for the tariff levied upon the raw wool. In fact, as I stated in the opening, the ad valorem tax upon the manufactured product is less under this bill than it was under the Wilson law, when the manufacturer obtained his raw wool without paying any duty whatever upon it.

I maintain therefore, Mr. Chairman, that so far as protection is concerned—and in that I agree with the gentleman from Alabama—this bill entirely eliminates the idea of protection to the American manufacturer of woolen goods. It pays no attention to the industries of the country. It will not open a single new mill in the United States. It will open many new mills in foreign lands. It will not cause the production of a single bushel of corn or wheat in this country, to help feed the laborer working in the woolen mills of this country, but it will cause a larger exportation and a lower price for American agricultural products in competition with the agricultural products of other countries. It is not destined and is not designed to add anything to our manufacturing industries. It abandons the idea of a home market for the American people. It removes the scheme of building up industries here which will consume our products at home, instead of compelling us to send them abroad. It loses sight of the principle that a surplus of a product always vastly decreases the value and price of the product. If we can manufacture at home and keep men employed in our own land, so that they will consume the agricultural products which we produce in the main, the price of those products can be upheld, but when we are compelled to send abroad a larger surplus in competition with other countries it means the lowering of our prices to meet the lowering prices of other countries.

Now, Mr. Chairman, just a moment on the question of the revenue features of this bill. By the gentleman who introduces it and the committee which reports it, it is justified solely as a revenue measure. The gentleman from Alabama stated yesterday that he hoped that this bill might remain the law without change for a good many years, or words to that effect. It is not, therefore, destined to be the law only until other schedules are revised. The gentlemen have brought in a bill to revise but one schedule of the tariff law, and say that if that bill be made a law it is to remain the law. We must therefore judge it in comparison with other propositions which are in the law or which may be written in the law.

Not protection, but revenue. Why should we levy a tariff for revenue purposes of 45 per cent on women's and children's dress goods and let raw rubber come in free? Answer that.

Mr. FOSTER of Illinois. We have not revised that schedule. The gentleman's own party revised that schedule; and why did he not make some objection at the time?

Mr. MANN. We do not believe in your theory of a revenue tariff.

Mr. COX of Indiana. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. COX of Indiana. Would the gentleman vote for a duty on raw rubber?

Mr. MANN. Very likely; but that is not the question. The gentleman's side of the House is making a permanent revision of the tariff on the woolen schedule. They declare for this woolen schedule as a permanent policy, and that there should be a tariff of 45 per cent on women's and children's dress goods.

Mr. POUL. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. POUL. Did not the gentleman's party also legislate, and after that legislation was over, did not your own President say that Schedule K was indefensible from any standpoint? [Applause on the Democratic side.]

Mr. MANN. Mr. Chairman, I have always noticed that when you are really pressing a question which nobody wants to answer they get up and call you names. Why does not the gentleman answer the question I put: Are you in favor of putting a permanent tariff of 45 per cent, as a revenue measure, on women's and children's dress goods?

Mr. POUL. I am in favor of a duty which will raise the largest amount of revenue.

Mr. MANN. The gentleman is in favor of a duty which will raise the largest amount of revenue. I suppose he is in favor of the proposition which will raise the largest amount of duty on everything. Why, we could levy a tariff which would raise a billion dollars in import duties. The gentleman favors that. I do not. [Applause on the Republican side.]

Mr. POUL. I would like to ask the gentleman if he favors the continuance of Schedule K, which President Taft says was indefensible from any standpoint?

Mr. MANN. I much prefer it to this bill. Now, having answered the gentleman's question, I notice that he does not answer mine. Is the gentleman in favor of a tariff of 45 per cent permanently, as a revenue measure, on women's and children's dress goods?

Mr. RANDELL of Texas. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. RANDELL of Texas. I would like to ask the gentleman upon what authority he makes the statement that this is a permanent tariff bill, when the Democratic platform has declared in favor of a gradual reduction of the high-protective duties imposed by the Republican Party?

Mr. MANN. Now I am at the fount of information, and I will get it if I can. [Laughter on the Republican side.] The gentleman is able to speak with some authority. If this bill becomes a law, does the gentleman favor changing it next year?

Mr. RANDELL of Texas. I believe my party would be in favor of redeeming the platform pledge—to gradually reduce the duties to a purely revenue basis.

Mr. MANN. Does the gentleman favor another woolen-schedule bill next year, if this becomes a law?

Mr. RANDELL of Texas. I do not know when the next one will be brought in; but it will be in accordance with the Democratic platform.

Mr. MANN. That is like making a statement with your fingers crossed. [Laughter.] Either these gentlemen are for or against a revenue tariff which puts a tax of 45 per cent on women's and children's dress goods as a revenue measure.

They can not dodge that issue by saying, "Oh, we are going to vote for it, but we are going to change it to-morrow." Legislation is supposed to remain; they can not avoid the responsibility. [Applause on the Republican side.]

Mr. COX of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. COX of Indiana. Mr. Chairman, if I remember correctly, the gentleman from Illinois voted against the Payne-Aldrich bill when it passed the House, and I want to ask him whether or not any iniquities which might have been in Schedule K induced him to cast that vote?

Mr. MANN. Mr. Chairman, if there were iniquities in the Payne tariff law and if I voted against it, I shall at least maintain a record clear by voting against the iniquities in this bill, and that is more than the gentleman will. [Applause on the Republican side.]

Mr. COX of Indiana. But the gentleman does not answer my question.

Mr. MANN. That question is not before the House.

Mr. COX of Indiana. I want to know whether any iniquities which may have existed in the Payne bill induced the gentleman to vote against it?

Mr. MANN. Mr. Chairman, some day I will take a day off and explain to the gentleman why I voted against the conference report on the Payne tariff law. Everybody in the House, save the gentleman from Indiana, knows why I did that.

Mr. COX of Indiana. Well, I thought I knew why the gentleman voted against it, personally, but I wanted to hear him say it. I wanted to know what his views were about it.

Mr. MANN. I notice the moment the gentlemen bring in a tariff bill and I commence to talk about it, they want to discuss some other subject. Why do you not discuss the bill that is before the House? Why are you afraid of it?

Mr. COX of Indiana. Oh, we will discuss it.

Mr. MANN. Are you in favor of putting a permanent revenue tariff on women and children's dress goods of 45 per cent?

Mr. COX of Indiana. If the gentleman will wait a few days I think I will tell him.

Mr. MANN. Oh, I know the gentleman is not prepared to say it now. Perhaps he will change his mind, notwithstanding the Democratic caucus which binds him so that no matter what he thinks, his vote is delivered in advance. [Applause and laughter on the Republican side.] I would not be in the position of a slave to a master who is a man or to a master who was a caucus. [Applause on the Republican side.]

Mr. COX of Indiana. Does not the gentleman believe in party caucuses?

Mr. MANN. Yes.

Mr. COX of Indiana. Was not the gentleman in his party caucus when it caucused here for two days on the postal savings bank?

Mr. MANN. Yes.

Mr. COX of Indiana. And bound yourself by that caucus?

Mr. MANN. I gave notice that I might not be bound by it and I never have asked anyone to bind himself to vote against his conscience by a caucus. Does the gentleman's conscience forbid him to vote for a tariff of \$4.50 on every \$10 woman's suit? Will the gentleman answer? No; he sits silent. [Applause and laughter on the Republican side.]

Mr. COX of Indiana. I will answer the gentleman at the proper time.

Mr. MANN. This is the proper time.

Mr. COX of Indiana. Oh, no.

Mr. MANN. The audience is now here, but the gentleman will wait until no one is in the House and then deliver himself.

Mr. COX of Indiana. I hope the gentleman will be here.

Mr. MANN. Oh, if I knew the gentleman was going to talk I might be, but probably I will not be.

Mr. HUGHES of New Jersey. Mr. Chairman, I will say to the gentleman, in answer to the question which my friend from Indiana desires to defer, that I am willing to answer it now, and say that I would rather vote for a duty which will put \$4.50 upon every \$10 woman's suit than keep on the statute books a bill which makes it necessary to pay \$9.70 on every \$10 woman's suit. [Applause on the Democratic side.]

Mr. MANN. That is not an answer to the question. You are making up a new bill; you are bound by what you do, not by what we did. You can not escape from the responsibility that you have because of something that we did. You are proposing this bill and you can make it 45 per cent or 25 per cent, and when you vote for this bill you declare to the world that, as a matter of revenue, not protection, not to build up American industries, but as a matter of revenue, you propose to put a tax of \$4.50 on every \$10 worth of women's and children's goods. But why, what made you—

Mr. GARNER. Will the gentleman yield just there?

Mr. MANN. Oh, certainly. The gentleman is on my side, but he is afraid to say so. I gladly yield to him.

Mr. GARNER. I want to ask the gentleman from Illinois if he thinks that \$4.50 is too high on a \$10 suit?

Mr. MANN. Why, it is too high as a revenue tax; of course it is.

Mr. HUGHES of New Jersey. Mr. Chairman—

Mr. MANN. As a revenue proposition, who can defend 45 per cent on clothing and dress goods when india rubber to the extent of \$106,000,000 comes in free, when raw silk and silks to the extent of \$67,000,000 come in free, when chemicals to the extent of \$50,000,000 come in free, when copper to the extent of \$45,000,000 comes in free, when oils (mainly vegetable) to the extent of \$16,000,000 come in free, when cabinet woods and so forth to the extent of \$15,000,000 come in free, when diamonds

and other precious stones to the extent of \$10,000,000 come in free, all of which could be properly taxed as a revenue proposition? And the gentlemen on the Democratic side turn aside from these and propose to put a high revenue tariff on their children's clothes. [Applause on the Republican side.]

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. GARNER. What organization controlled this House when this law was passed to put these things on the free list?

Mr. MANN. Why, Mr. Chairman, I know the gentleman from Texas is unusually acute and bright—

Mr. GARNER. Yes; but what party was in power when they put 97 per cent on my children's clothes?

Mr. MANN. Oh, we still favor the proposition to put tariff enough on them to have them made in America as a protective measure. [Applause on the Republican side.] We are in favor yet of letting noncompetitive articles come in free and levying the duty necessary to raise the revenue upon competitive articles, with incidental protection, but the gentleman casts aside that doctrine and proposes to lose sight of the value there is to America through the protective tariff and proposes to levy this purely as a revenue measure, \$4.50 as a revenue measure on children's clothing, while rubber comes in free, used by the rich. [Applause on the Republican side.]

Mr. GARNER. The gentleman must remember that we are revising Schedule K. When we get to the rubber schedule we will put a revenue duty on that, too.

Mr. MANN. That is all right, but the gentleman is now revising Schedule K, and he should revise Schedule K with a view to what they propose to do with the others. Is this revision to be done over again on Schedule K as soon as you reach another schedule? Is this to be a perpetual process—a continuous-performance show? [Applause on the Republican side.] Do I understand that this is like one of the amusement shows that runs around and around, and the moment one performer goes off another performer comes on and follows him, and then when his time comes on he moves on again, and it is a perpetual show? Is it to be that as fast as we revise one schedule we go to another, and when we are through with the list we commence all over again? [Applause on the Republican side.]

Mr. SIMS. Mr. Chairman, will the gentleman yield for a question?

Mr. MANN. For a question.

Mr. SIMS. The gentleman is always very kind—

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Tennessee?

Mr. MANN. I yield with pleasure.

Mr. SIMS. Now, my friend, and the friend of all of us, and the country's friend, the gentleman from Illinois, speaks of putting on a tariff or putting a duty on wool or putting a duty on women's and children's clothes. Now, my friend must admit that we are not putting a duty on anything; we are taking off something that is already on. [Applause on the Democratic side.]

Now, if the Republican Party has been making every man wear two shirts, and we do not—

Mr. MANN. And you think only one is necessary? And that is all they will get. [Laughter on the Republican side.]

Mr. SIMS. The gentleman will not let me finish my question.

Mr. MANN. The gentleman should not ask such a funny question.

Mr. SIMS. But I had not finished. If the Republican Party makes the American people wear two shirts in order to enable the American manufacturer to sell that many more shirts, until an abnormal condition has grown up, would not you think it would be wise enough in taking off or removing that abnormal condition to fix the tariff in such a way as to keep a fellow from having the pneumonia by taking off both shirts at once? Hothouse protection has been responsible partly for the country's condition, and industries have been built up by that alone, and is it not wise and reasonable not to take all the hothouse influences away, although we would not build a hothouse if there was not one already in operation?

Mr. MANN. Does not the gentleman think this tariff bill is partly protection?

Mr. SIMS. I do not think anything about it. I know it is.

Mr. MANN. Well.

Mr. SIMS. I said I absolutely knew it was partly protective.

Mr. MANN. The gentleman believes it is partly protection?

Mr. SIMS. I absolutely know it is. I do not believe about it. There has been no pretension on this side that it was not

partly protective. But it is a great deal less protective than that which we have now.

Mr. UNDERWOOD rose.

Mr. MANN. Mr. Chairman, I yield to the gentleman from Alabama [Mr. UNDERWOOD]. [Laughter.]

Mr. UNDERWOOD. Mr. Chairman, I must beg the pardon of my friend from Tennessee [Mr. SIMS]. I desire to speak for myself. I say that the purpose of the committee in drafting this bill was to raise \$40,000,000 on Schedule K, and we have written the rates in the bill as low as was possible and still produce \$40,000,000. Therefore it is a revenue measure. [Applause on the Democratic side.]

Mr. MANN. I ask the gentleman from Alabama if it is in any way a protective measure?

Mr. UNDERWOOD. You could not levy a tax of 1 per cent on anything without its carrying with it incidental protection. To that extent it is protection.

Mr. SIMS. Mr. Chairman, I do not wish to be misunderstood by both my friend from Alabama and the gentleman from Illinois. I meant to say that there is a condition of high protection as to Schedule K, and it has been impossible, in view of that condition, to remove all protection at once, but there was no purpose to pass a protective measure per se. We all know that a compensatory duty is a protective duty. I do not deny, and my friend from Alabama does not deny it either, if I have understood him accurately.

Mr. MANN. Confession is certainly good for the soul. The gentleman from Tennessee [Mr. SIMS], who was not in the Hall at the time, did not hear the argument to show that this was not a protective measure, and to prove, as I think I did, the contention of my able and genial friend from Alabama that this is not a real protective measure, whatever else it may be.

Mr. SIMS. Not in purpose.

Mr. MANN. Not in purpose. It is less in effect than it is in purpose. It was intended in purpose to be of some protection, and some of the gentlemen on the Democratic side of the House understood there was a compromise, but they all agreed, with the exception of my friend from Tennessee, to conceal it on the floor of the House. But, in fact, it is not sufficient protection. I was examining it as to whether it was a revenue measure or not, and since the gentleman from Tennessee has directed my attention so pleasantly I will put it to him whether he is in favor as a permanent revenue policy of the country of levying a tax of 45 per cent on children's clothing?

Mr. SIMS. I can answer that very readily, so far as I am concerned. If the condition of the country is such that we do not have to have that revenue, I would not put one cent on children's clothing.

Mr. MANN. We do have to have it. Is the gentleman in favor of raising revenue in that way as a revenue policy?

Mr. SIMS. I may have other preferences, but I am going to vote for the bill.

Mr. MANN. Mr. Chairman, it is entirely unnecessary for any gentleman on that side of the House to say how he is going to vote.

There have been times in the House when it was interesting to have a gentleman on the floor arise and, after an argument, tell how he was going to vote. But gentlemen on that side of the House have gotten so in the habit of arguing on one side and voting on the other that we all know in advance how they will vote. They vote the way they are told to vote by their bosses in the House. [Applause and laughter on the Republican side.] There never has been a time heretofore in this House, since I have been here, when my genial friend could invariably be delivered in advance, with his vote, to any particular measure in Congress; and the same is true with respect to others. They have talked about autocracy in the House under Speaker CANNON, but there has never been a time before, since I have been in the House, when men on the other side felt obligated to all vote one way because a Democratic caucus threatened to cut the head off any man who has intelligence enough to exercise his independence. [Applause on the Republican side.]

Mr. SIMS. The explanation of the situation now is that the caucus in this case was made up of this whole side of the House, with the exception of one man. We bound ourselves, and we are going to do what we agreed to do because we thought we ought to do what we agreed to do. [Laughter.]

Mr. MANN. The gentleman has had no more to say about what they were to agree to do than I have had. He is doing what the Democratic bosses in the House have told him he has to do. [Laughter on the Republican side.]

Mr. SIMS. I abide by the action of the Democratic caucus.

Mr. MANN. The gentleman is absolutely controlled by the

caucus to vote the way he is told to vote in the caucus. You gentlemen come here and vote the way the caucus tells you to vote. [Laughter on the Republican side.]

Mr. SIMS. I stand with the majority.

Mr. MANN. The gentleman from Tennessee [Mr. SIMS] has usually been very independent. I have frequently seen him on the floor of the House voting against his side of the House, and I have frequently voted with him against my side of the House; but the gentleman from Tennessee will no longer exercise his independence, because, having no information on the subject of the wool schedule, he follows blindly the direction—not the lead—of the gentleman from Alabama, who disclosed his wonderful information upon the subject by his quotation from the daily Treasury statement. [Applause and laughter on the Republican side.]

THE TARIFF BOARD.

Mr. Chairman, I think that the final consideration of this bill by the House should be postponed until we have received the report of the Tariff Board. Congress, by special appropriation, has provided for a Tariff Board to acquire and report information relating to the woolen and other schedules. At the last session of Congress we made a large appropriation to enable the Tariff Board to continue its work, and directed that it make a report as to the woolen schedule in December next. Following that appropriation and that specific direction, the Tariff Board, composed partly of Republicans and partly of Democrats, commenced what is believed to be an impartial investigation of the subject of wool production and woolen manufactures. That board has engaged experts who are now actively employed in acquiring more complete information than has ever been acquired before in relation to the production of wool and the cost of its production, in relation to the shrinkage of different kinds and classes of wools in the cleansing processes, in relation to the different characters of wools to be used in the carding and worsted processes of manufacture and other methods of consumption of wool in the manufacture of woolen articles, and in relation to the cost of manufacture, the amount of wool used in the different processes and in the different articles manufactured, and all other information which can be acquired which bears upon the production and consumption of woolen goods.

They are obtaining information concerning the reduction of woolen rags to the form of shoddy, and so forth. They will acquire particular and reliable data concerning every phase of the subject. They will be able to lay before the President for transmission to Congress in December next very full and complete information regarding the production and consumption of wool and woolen goods both in the United States and in the foreign countries from which we obtain a considerable portion of our wool supply.

Formerly the processes of production and manufacture in the United States and elsewhere were carried on largely without the aid of scientific information or scientific processes. The great manufacturers of the world have largely come to realize the necessity of scientific administration and the development of scientific processes. But apparently we have not yet learned the need of scientific methods in governmental development, and least of all do we apply scientific methods in the processes of legislation.

In all the realm of legislation there is no other subject which ought to receive such scientific treatment and be so based upon expert knowledge as in the preparation of tariff legislation, and yet here we are now proposing to legislate concerning one of the most intricate subjects of the tariff—the woolen schedule—without waiting a few short months in order to receive the expert knowledge and the complete information which we have directed a tariff board to gather for us. This is the reverse of a scientific method.

The Democratic side of the House now proposes to legislate on the woolen schedule and receive the needed information after the legislation is disposed of. The country is tired of legislation based upon ignorance and demands legislation based upon knowledge. The country asks that, instead of our legislating first and acquiring information afterwards, we acquire the information first and base our legislation upon the information thus acquired. I am firmly of the opinion that we ought to recommit this bill to the Committee on Ways and Means, with instructions that that committee shall hold the bill until the information acquired by the Tariff Board shall be submitted to us in December next and that then a bill should be prepared and considered in the light of the full information we will then have. Haphazard legislation, ill-considered legislation, legislation by ignorance and not with knowledge, may have been necessary in the past, but it is not necessary in these

days as to the tariff on wool and woolen goods. It would be better for the country to bear the evils which may exist in the present woolen tariff for a few months longer and have that tariff replaced by well-considered legislation based upon full information, so that the subject may be largely removed from partisan and political changes, rather than correct the present evils with possible and probable new evils, which themselves will again need to be removed by new legislation in the course of the following few months.

I know it is useless to appeal to the Democratic side of this House to wait for information before they legislate. The Democratic Party thrives rather upon ignorance of facts and does best when full information is lacking, and yet there ought to be statesmen enough on the Democratic side to rise above temporary partisan prejudice and party excitement to compel this bill to be laid aside until the information we have demanded and have ordered to be obtained shall be laid before us.

Mr. Chairman, if this bill be examined from the standpoint of protecting the industries of the country, it is a failure. If it be examined from the standpoint of merely raising revenue for the country, it is cruel and unjust. It will feed no children in this land. It will give no pay to laborers in this country by which they may be able to buy good clothing. It will add nothing to the pay of the American workingman. It will add nothing to the profitable use of American capital. It will not build up our country or its manufactures. But, abandoning the sheep industry and the woolen industry to destruction, it then proposes on the woolen goods that come from abroad to take from 40 to 45 per cent as a revenue tariff out of every dollar's worth of goods imported, leaving great numbers of noncompetitive articles still upon the free list.

I leave it to the American Republic and its citizens. They expressed their displeasure with the legislation which we enacted, but we appeal confidently to the intelligence and the patriotism of the American voter that the American Republic is not yet willing to abandon to dire distress and poverty its own citizens and its own industries in order to build up those in foreign lands among foreign people. [Prolonged applause on the Republican side.]

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. Houston having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 897. An act for the relief of Alfred L. Dutton.

THE WOOL SCHEDULE.

The committee resumed its session, Mr. HAY in the chair.

Mr. UNDERWOOD. Mr. Chairman, I desire to ask how the balance of the time stands?

The CHAIRMAN. The gentleman from Alabama [Mr. UNDERWOOD] has consumed 2 hours and 30 minutes and the gentleman from New York [Mr. PAYNE] has consumed 2 hours.

Mr. UNDERWOOD. Mr. Chairman, I yield one hour now to the gentleman from Georgia [Mr. BRANTLEY]. [Applause.]

The CHAIRMAN. The gentleman from Georgia [Mr. BRANTLEY] is recognized for one hour.

Mr. BRANTLEY. Mr. Chairman, the plea for delay by the distinguished gentleman from Illinois, who has just concluded his entertaining speech, and his appeal for the sacredness of Schedule K as it is written, and his flippant and jocular attempts to divert attention from the real issue, have fallen upon deaf ears on this side, because they were submitted last November to the high court of public opinion—the American people at the ballot box—and there ruled and adjudged against him. [Applause on the Democratic side.] We, as the agents of that great court, have naught now to do save to carry its judgment into effect.

Mr. Chairman, it is my purpose, in such remarks as I shall offer, to confine myself in the main to Schedule K, because the pending bill deals only with Schedule K.

It is of course impossible, in discussing any tariff schedule, not to discuss tariff principles, precedents, and policies, and while the questions relating to these things are as old as our Government, and while possibly all that can be said upon them has been said, I shall nevertheless ask indulgence in the course of my remarks to express some views and opinions upon them. For these views I ask no man in any political party save myself to be responsible; but, none the less, I believe that what I shall say is in strict accord with the ancient Democratic faith.

EXISTING CONDITIONS.

We are proposing to revise Schedule K. We are proposing a remedy for certain existing conditions. In order to appreciate

the necessity for a remedy or the wisdom of the remedy proposed, it is necessary to know something of these conditions.

We find that the operation of Schedule K as it is written has been to give to the American woolen manufacturer almost a complete monopoly of the American market and to make this great country almost a hermit nation so far as the woolen industry is concerned.

In the fiscal year 1909—I use that year because it is the only one for which I have the figures as to production—we produced in the United States a total of \$419,826,000 of worsted and woolen goods, and a total of all woolen manufactures of \$514,732,000. We imported of these goods a total of \$18,102,461 and we exported of them to the value only of \$1,971,939. In other words, of our total consumption of woolen manufactures in the year 1909 we imported barely 3½ per cent, and we exported less than one-half of 1 per cent of what we produced. These figures tell their own story of the complete control of the American market given to the American manufacturer, the number of whose establishments decreased from 1,221 in 1899 to 913 in 1909.

To particularize a little about this situation: In the year 1909 we imported woolen cloths to the extent of 4,472,635 yards, of the total value of \$4,777,447.26; but in the year 1905, the last year for which I could get the figures as to production, we produced 225,514,931 yards of woolen cloth, valued at \$142,497,575. As the total woolen manufactures in this country substantially increased from 1905 to 1909 the production of woolen cloths in 1909 must have been in excess of the production of 1905; but taking the figures of 1905 for comparison, we imported in 1909 a little more than 3 per cent of our total consumption of woolen cloths.

Of blankets, in 1909 we imported the insignificant sum of \$25,972.72, and we exported blankets and flannels for underwear to the extent only of \$46,000. We produced in that year blankets of all kinds, including all wool and cotton mixed, to the value of \$10,222,000. Of flannels for underwear, we imported in 1909 to the value of \$99,219, while we produced them to the value of \$3,464,000; that is to say, of our total consumption of these necessities of life we imported less than 3 per cent.

On dress goods we get the largest revenue coming from any one item in the schedule of woolen manufactures. In 1909 we imported dress goods to the value of \$7,019,248.01, and we exported them to the value of \$13,786, but we produced them to the value of \$89,633,000; so that of our total consumption we imported a little more than 7 per cent.

The total imports of carpets and carpeting in 1909 were valued at \$3,748,556 and the exports at \$66,653. The value of carpets produced in the United States in 1905—the last year available—was \$61,586,433. In 1900 the value was only \$48,192,351. Presumably the figures for 1909, when known, will exceed those of 1905, but, on the basis of the 1905 production, we imported but little more than 5 per cent of our consumption.

The full significance of these figures is realized when we compare them with the figures of the other great nations of the world. They demonstrate how under the system now prevailing—which system we to-day are seeking to remedy—we are converting our Nation into a hermit nation, trading and living upon ourselves, with no trade or intercourse with the other nations of the world.

In the year 1909, as against our total importations of woolen manufactures of \$18,102,461 and our exports of less than \$2,000,000, the United Kingdom imported \$47,338,664 and exported \$135,404,888. Germany, as against our \$18,102,461 of importations, imported \$36,797,180, and against our exports of less than \$2,000,000 exported \$75,139,218. France, as against our exports of less than \$2,000,000, exported \$53,654,449 and imported \$12,106,473.

The only reasonable explanation to be suggested for these remarkable figures is and must be that our woolen manufacturers have found the American market so profitable that they have chosen to monopolize it rather than to do business with the balance of the world. This explanation is made certain when we examine Schedule K and see the enormous advantage there given to the American manufacturer over his foreign competitor. The duties of that schedule are compound duties—specific and ad valorem—including those that are called compensatory; but when we work them all out to an ad valorem basis on the actual importations of last year we find there is revealed that which was concealed, and we know the tremendous advantage given to the American manufacturer. The rate on woolen and worsted cloths is thus shown to be an average ad valorem rate of 97.27 per cent; on blankets, an average of 73.42 per cent; on flannels for underwear, an average of 103.87 per cent; on dress goods, an average of 102.85 per cent; on wearing apparel, an average of 81.31 per cent; on carpets, an average of 60.66 per cent. But these figures, start-

ling as they are, do not reveal the full iniquity of this schedule as it is written. The gentleman from Illinois [Mr. MANN] has talked much of the clothing of the poor people, and yet this law for which he and his party stands sponsor is so arranged that the clothing of the poor is taxed higher than the clothing of the rich. [Applause on the Democratic side.]

When we turn to the item of cloths, for instance, we find a system of dividing cloth into three classes. The most expensive cloth last year had an import unit value of \$1.07 and carried an ad valorem rate of 96.02 per cent. The second class of cloth, with an import unit value of between 59 and 60 cents, increased its ad valorem rate from 96.02 per cent to 123.55 per cent, while the third class, the cheapest, with an import unit value of only 35 cents, was and is taxed by the present law an ad valorem rate of 144.05 per cent.

The result of this discrimination against the poor and the poorer classes was that practically all the revenue derived last year from the duties on cloth came from the more expensive cloths. For instance, class 1, valued at more than 70 cents per pound, yielded \$5,827,776.89 of revenue. Class 2, valued at less than 70 cents and more than 40 cents a pound, yielded \$274,246.50, while class 3, the cheapest, with an enormous rate against it, brought in revenue to the Government but \$2,111.

The same thing is true in reference to the item of dress goods. Of these goods weighing over 4 ounces per square yard and valued at not more than 40 cents per pound, the ad valorem rate last year was the prohibitory rate of 154.35 per cent and the importations amounted to but \$74; the same fabric valued at more than 40 and not more than 70 cents per pound, the ad valorem rate was reduced to 120.47 per cent and the importations increased to \$268,021; the same fabric valued at more than 70 cents per pound had an ad valorem rate reduced to 101.88 per cent and the importations increased to \$2,432,597.

Such discriminations as these run throughout the entire law. The rates on the cheaper and less expensive fabrics—the clothing of the poor—are throughout the law made prohibitory, and this class of our people, helpless to protect themselves, are designedly left to the tender mercies of the American Woolen Trust. This is one of the reasons why the American people commissioned the Democratic Party in last November to reduce and revise Schedule K in the interest of the people. [Applause on the Democratic side.]

When we compare Schedule K with all the other schedules of the present law we can understand and appreciate the significance of the statement repeatedly made that Schedule K is the citadel of protection. We find upon further examination of it that the rate on woolen manufactures averaged last year 90.12 per cent, and that this is the highest rate on any manufactured product carried in the entire law, and higher than any article save distilled spirits, which carried an ad valorem last year of 126.12 per cent; and even in this instance of a higher rate, when we take the average rate on "spirits, wines, and malt liquors," the average is only 73.63 per cent, so that Schedule K—the woolen schedule—stands at the top, imposing upon the great necessity of all the people—woolen clothes—the highest taxes that are imposed upon any commodity in the entire Payne-Aldrich law. [Applause on the Democratic side.]

Sugar carries but 52.27 per cent, cotton manufactures but 56.04 per cent, silk but 53.39 per cent, leather but 32.01 per cent, wood manufactures but 11.42 per cent, while manufactured wool is taxed on an average of 90.12 per cent.

Mr. Chairman, it seems to me that Schedule K of the present law, granting, as it does, to the American woolen manufacturer an almost complete monopoly of the market among the 92,000,000 American people, comes near complying, if it does not entirely comply, with the common-law definition of a monopoly. The common-law definition of a monopoly is a right granted by the king or the government whereby the rights, the freedom of others in that same matter are interfered with or restrained. We care nothing for the freedom of the foreign manufacturer that the present law interferes with or restrains, but we do care for the restraint that the present law imposes against the exercise of the inherent and what ought to be the inalienable right of every American citizen to trade where and when and how he pleases. [Applause on the Democratic side.] The present law not only ignores the rights of the American people, but it likewise ignores the rights of the Treasury of the United States, for whose sole benefit the Constitution confers the power to tax. A tax that is prohibitory is not in the interest of the Government, for it yields no revenue.

PROTECTION.

I want now, Mr. Chairman, to say a few words on the subject of protection, about which the gentleman from Illinois has talked so freely and so interestingly.

I deny that the Republican Party invented or discovered protection. The claim to distinction in this regard to which the Republican Party is entitled is that it has abused the principle of protection—a principle that in its origin was designed for a beneficent purpose—and has perverted a great constitutional power from governmental ends to personal and selfish ends. [Applause on the Democratic side.] So far from the Republican Party discovering protection, the first tariff law that was ever written—July 4, 1789—written by the men who framed the Constitution under which we live, in its very first section and its very first words reads:

Whereas it is necessary for the support of the Government, for the discharge of the debts of the United States, and the encouragement and protection of manufactures that duties be laid on the following goods, etc.

Not only that, but every tariff law that has ever been written in the history of this country by every political party has carried protection within its rates. The protection that prior to the Civil War was carried in our tariff laws was, in the main, that protection incident to and inevitable from the levying of revenue duties upon competitive products. The Republican protection of to-day is that which comes from specific law, purposely enacted for protection, with revenue only an incident, and frequently, as in Schedule K, not even an incident.

I know but two ways of avoiding protection in this country. One is to levy no tariff duties whatever and thereby have absolute free trade, raising our revenue by some other method. The other way is to levy all our import duties on noncompetitive products. It is utterly impossible to levy a duty on a competitive product without carrying protection to the similar domestic article to the extent of the duty levied. Let the duty be laid for revenue, but the protection is there none the less. The Democratic Party has never stood for free trade—has never stood for the abolishment of all tariff duties—nor has it ever stood, in platform declaration or in legislation, for duties only upon noncompetitive articles. The Republican Party in one of its platforms some years ago made the declaration that it favored putting on the free list noncompeting articles, but they borrowed that from Andrew Jackson, who, many years ago, in 1830, recommended to the Congress in one of his annual messages that all duties be removed on noncompetitive articles, and cited tea and coffee as two of them.

I do not know that it is worth while to discuss the question as to whether tariff duties should be laid on competitive or noncompetitive articles, because that question is not now before us, but it seems to me that if we confine ourselves to a revenue rate the American consumer has no interest in it, and the only question involved is one of governmental policy. To illustrate: If we put a duty on coffee, none of it being produced in this country, the consumer pays that duty.

If the cultivation of coffee should develop so that we could produce in this country half of what we consume, and continued the same rate of duty, the rate of taxation to the consumer would be identically the same. True, the Government would not collect so much revenue as when our entire consumption of coffee was imported, but if that deficiency in the revenue could be supplied by a revenue duty on some other article the Treasury would not suffer. The fact—if it was a fact—that by reason of the revenue duty American citizens were enabled to produce coffee in this country, and thereby add to the wealth of our products, would not be due to any increase of taxation to the American consumer, for he would be paying the same taxes that he paid when all his coffee was imported. The Democratic policy, as I understand it, is to keep within revenue rates, and so long as this is done it seems to me that the American consumer, as a consumer, is not concerned whether our duties be laid on competitive or on noncompetitive products.

Mr. Chairman, I said a moment ago that the Republican Party did not invent or discover protection. While this is true, the protection for which that party to-day stands is not the protection that was in mind and in practice in the years preceding the Civil War. Henry Clay has often been referred to and described as the father of the present American protective system. He had no thought in his day that the system of protection advocated by him would be permanent, much less be trebled and quadrupled, in the twentieth century. In his great speech in defense of protection made in 1824 he used this language:

Let our arts breathe under the shade of protection, let them be perfected as they are in England, and we shall then be ready, as England is now said to be, to put aside protection and to enter upon the freest exchanges.

[Applause on the Democratic side.]

His followers in this the twentieth century say, contrary to his prediction, that our country needs more protection now than ever before in its history. Andrew Jackson, Mr. Chairman, a

few years after the speech of Henry Clay quoted from, in his annual message said:

A tariff of high duties designed for perpetual protection has entered into the minds of but few of our statesmen.

And Robert Toombs, one of the great Senators furnished by the State of Georgia, declared, in a speech in the Senate in 1857, that making protection the object and not the incident of tariff legislation was a principle—

which has never been avowed by any political party or any of the great political men in America.

What Robert Toombs in 1857 said had never been avowed is avowed to-day by the Republican Party, but that speech was made more than 50 years ago.

To me one of the most interesting studies I have made about protection has been the disclosure of the steady growth and enlargement of protection ideals in the Republican Party since its organization just before the Civil War. As late as 1876 that party, in its platform, said this about the tariff:

The revenues must be largely derived from the duties upon importations, which, so far as possible, should be adjusted to promote the interests of American labor and advance the prosperity of the whole country.

That was a very modest declaration compared with those of later years. In 1884 the Republican Party declared that the tariff should—

not be "for revenue only," but that in raising the requisite revenues for the Government such duties shall be so levied as to afford security to our diversified industries and protection to the rights and wages of the laborer.

We find from looking through the declarations of the Republican Party for a series of years that although the idea of protection in the early days was only to foster "infant industries," that along in the eighties the Republican Party shifted from the plea of "infant industries" to the plea of protection for "labor." We find the next shift was from cost of "labor" to cost of "production." It was not until 1904 that the Republican Party made its most distinct advance on protection lines. In 1904 in their platform they struck out the word "labor" and substituted the word "production," and said they demanded the equalization of the cost of "production" at home and abroad. That word "production"—the phrase "cost of production"—what do they mean? Extravagant production? Yes; its language is broad enough for that. Exorbitant incomes to the men who manufacture? Yes; the language is broad enough for that. Carried to its logical conclusion the language used is broad enough to give us a tariff without limit or bounds. But not satisfied with that declaration the Republican Party progressed still further, and in 1908 announced in its platform for the first time in all the history of that party or of any other political party the true principle of protection to be as follows:

In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries.

Sometimes I think, in looking over this record, that those of our Republican friends who, as I understand it, flock to themselves under the title of "progressives" have given themselves the wrong name, or else they have lost sight of the wonderful "progressiveness" of the "stand-pat" Republicans in tariff legislation. [Applause on the Democratic side.] I submit that never in the history of this Republic has there been anything so monstrous in the way of a political principle as the declaration that this great Government shall guarantee "profits" to any man [applause on the Democratic side], and least of all that it shall single out one class alone to whom this guaranty shall be given. The laborer going out to his day's work to earn his \$1 or his \$2 has no guaranty of any reasonable profit to him when the cost of his tools and his living has been paid. The farmer toiling through heat and cold has no guaranty that the sunshine and the rains will come in time and in order to insure him a profitable harvest. The merchant embarking upon the sea of business has no guaranty from the Government that he will succeed and have reasonable profits at the end of the year. But under the creed of the Republican Party, in its latest avowal, the manufacturing classes, the favorites of its policy, are given the guaranty of reasonable profits, and, more than that, the manufacturers are left to determine for themselves when the profits are reasonable, for they dictate the rates that are put into the law. This guaranty of reasonable profits is not paternalism—bad as paternalism is—because the Government, under this declaration, does not propose to make these profits good by taking the money out of the Treasury and turning it over to the manufacturers. That would be paternalism. This proposition is to convert the great taxing power of the Government into an instrument whereby money is permitted to be collected by one class out of all classes in

order that the one class may have reasonable profits in the conduct of its business. [Applause on the Democratic side.]

Gentlemen like my good friend from Illinois [Mr. MANN] can not divert the issue that is presented by the pending bill by any discussion of rates or by any discussion of what is proposed to be permanent or temporary in our legislation. The pending bill joins issue with the Republican Party not simply upon rates of taxation, but upon the method of laying and collecting taxes. The issue is made between tariff rates levied for protection, which rates are prohibitory, and tariff rates levied for revenue and which are competitive. Upon the issue thus joined we are content to submit to the judgment of the patriotic people of the United States.

The Constitution empowers Congress to "lay and collect" taxes for the payment of debts, to provide for the common defense, and for the general welfare. The pending bill proposes that the Government shall lay, and that the Government shall collect, the taxes laid for these constitutional purposes. The present law proposes and in practice is that the Government lays the taxes, but that the manufacturer collects them. Our bill is a whole and complete exercise of the constitutional power to lay and collect taxes, while the present law exercises a doubtful constitutional power of simply laying taxes. Certain it is that the debts can not be paid nor the common defense nor public welfare be provided for unless the taxes laid are also collected by the Government.

AD VALOREM DUTIES.

The first thing, Mr. Chairman, that the pending bill does is to abolish specific and substitute therefor ad valorem duties. Many speeches have been made and many arguments have been written on the comparative merits of taxation by specific duties and taxation by ad valorem duties. The strongest argument that has been advanced in favor of specific duties is that a law laying specific duties is easier of enforcement by the administrative officers, and that there is less danger of defrauding the Government by undervaluations.

That contention, however sound and meritorious it may be, is not involved by our bill, because while we propose only ad valorem duties, the present law also imposes ad valorem duties in connection with specific duties. It is just as easy, and easier, to enforce a law with only ad valorem duties as it is to enforce a law with both specific and ad valorem duties. [Applause on the Democratic side.] The real argument that is made in favor of specific duties by our friends upon the other side is that the specific duty grants protection when protection is most needed, while under the ad valorem system the lower the price of the article and the more protection is needed the lower is the protection. The fact that ad valorem duties have this effect is, in my judgment, one of the strong arguments in their favor. If an article is worth \$1—one class of it—and has a specific duty of 50 cents on it, the rate is 50 per cent, but if by reason of world changes in value that article drops in value from \$1 to 50 cents, the specific duty remaining at 50 cents, the duty becomes 100 per cent. If the article drops in value to 25 cents, the duty is 200 per cent. So that, regardless of the fluctuations in price, regardless of the low price at which labor must be sold in times when products are valued low, the specific duty maintains the enormous expense of living, the enormous cost to the laborer and all other classes of the necessities of life, and deprives the people of the benefit of a world-wide reduction in value of the things they are compelled to buy, while at the same time leaving them to sell their labor and their products at the world's reduced prices.

Under the ad valorem system the duty follows the price. When the price advances, the duty is greater. When the price reduces, the duty does the same. But to my mind the great objection, the fundamental objection to specific duties, is that specific duties ever and always tax highest the necessities of the poorer classes. Here, for instance, is an article made up in different values. It is the same article. In one style it is worth a dollar, in another style it is worth 50 cents, in another style it is worth a quarter, or maybe 10 cents; and yet under the system of specific duties, the 25-cent article pays the same tax that the \$1 article pays. The great virtue of the system of ad valorem duties is that it equalizes taxation.

But the equalization of taxation is not the only thing that the substitution of ad valorem duties for specific duties does. The present law, compounding specific and ad valorem duties as it does, is so framed that I doubt if there is a gentleman within the sound of my voice who knows from reading it what the rate of taxation is that he pays on the coat he is now wearing. Take a rate on cloth, say 44 cents a pound and 55 per cent ad valorem. How much is that per yard? See the classification further. If the cloth is worth between 40 and 70 cents a pound, the duty is 44 cents per pound and 50 per cent ad

valorem. If it is worth over 70 cents a pound, the duty is 44 cents per pound and 55 per cent ad valorem. How many of you buy clothing by the pound? I challenge any gentleman within the sound of my voice to know what the actual rate of duty is that Schedule K imposes upon the clothing he now wears.

It has long been known, Mr. Chairman, that the collection of the revenues for the support of the Government by the levy of import duties was desirable, because the people found it an easy way to pay taxes. We pay taxes now when we buy for use and consumption, and we see no taxgatherer among us. Oftentimes we do not realize or know that we are paying taxes, and rarely ever how much we are paying. Our friends on the other side have aggravated this condition by so covering up the taxes they elect we shall pay and so concealing the high protection in the rates fixed by them that those of us who are really of an inquiring turn of mind and intelligent, and who would like to know how much taxes we are paying, can not find out except by the help of Government experts. Mr. Chairman, do you suppose or believe, if there had been brought into this House a bill providing in terms that the duty on the dress goods of those same children that my friend from Illinois [Mr. MANN] seemed so interested in should be 107 per cent, that he or any of his Republican colleagues would have dared to vote for it? They know this country would have scourged them from power had they done so. Yet they wanted the rate to be 107 per cent. They wanted those same children in the United States for every dollar of cost of production abroad to pay an additional \$1.07 for their dresses, and so they did by indirection what they dared not do by direction. They fixed the law to read "so much per pound and so much per cent ad valorem," and nobody knew and nobody could tell how much the tax was nor how great the protection that was thereby afforded. Mr. Chairman, the pending bill makes the rate of taxation plain, and if it did no more than to wipe out the present compound rates of specifics and ad valorems and to make the rate and method of taxation so plain and simple that every man, woman, and child can know how much tax he is paying the bill would deserve the plaudits and approval of the American people. [Applause on the Democratic side.]

COMPENSATORY DUTIES.

The next thing the pending bill does is to strike out the iniquitous compensatory duties that are the leading feature of Schedule K. Schedule K is made up on the theory that the duty on first-class raw wool being 11 cents a pound, and it taking 4 pounds of raw wool to make a pound of cloth, the manufacturer shall be compensated for the duty he pays on the raw wool by what is called a compensatory duty of 44 cents per pound on his manufactured product, which is given him in addition to an ad valorem duty for protection.

Much has been written and said about an alleged coalition between the sheep grower and the manufacturer, in order that each might obtain high protection. The manufacturer, in my opinion, is in favor of a duty on raw wool only for two reasons. In the first place, in so far as that duty gives him the support and backing of the woolgrowers of the United States for the protection he wants on his finished product, he favors it. But more than that, he favors it because this 44 cents a pound alleged compensatory duty is largely not compensation, but protection to him.

To begin with, there is no warrant for the claim that it takes 4 pounds of raw wool to make a pound of cloth, and to the extent that it does not take that much the compensatory duty is protection.

In Senate Document No. 440, Sixty-first Congress, second session, on "Tariff on wool and wool goods," submitted by Senator WARREN, who can not be charged with being indifferent to the interests of the woolgrower or the wool manufacturer, the following table, showing the shrinkage in imported wools for the year ending June 30, 1909, is given:

First-class wool, according to this report, shrinks 42 per cent; second-class, 30 per cent; third-class, 34 per cent; and domestic wool, 60 per cent.

Under this table, showing the actual shrinkage, 100 pounds of first-class wool will yield 58 pounds of scoured wool. Assuming that scoured wool loses 25 per cent in the process of manufacture, we have a deduction of 14.5 pounds, leaving net 43.5 pounds. The compensatory duty is on the theory that there will be but 25 pounds of finished product. Instead, therefore, of a ratio of 4 to 1, as the laws say, the ratio is 2.4 to 1.

By the same calculation 100 pounds of domestic wool will yield 30 pounds net of manufactured products. And so, if any gentleman will take the time to work it out, he will see that the manufacturer gets a large part of this so-called compensatory duty as pure unadulterated protection.

But that is not the real iniquity, and by no means all the iniquity, of this same compensatory duty, because the law is so framed and construed and enforced that the manufacturer gets this 44 cents a pound compensatory duty even though his so-called pound of manufactured wool has not one-tenth of a pound of wool in it. If his product contains any wool, he collects the compensatory duty upon the theory that the entire product is of wool. This is one of the most glaring outrages in the entire schedule. I recall well, over at the other end of the Capitol, when this very law was being considered, that gifted son of Iowa, late our colleague in this House, Mr. Dolliver, whose untimely end we all mourn, made a strong appeal that this compensatory duty should at least be limited to the amount of wool actually in the product upon which the compensatory duty was asked. [Applause on the Democratic side.] His plea was spurned, and the manufacturer given the unwarranted and unjust protection that he asked for.

Mr. CLINE. Mr. Chairman, will the gentleman yield?

Mr. BRANTLEY. Certainly.

Mr. CLINE. I should like to inquire if there is not another element of protection there to the manufacturer that arises out of the by-product in the preparation of the scoured wool for actual use, which he gets in addition to the 44 cents?

Mr. BRANTLEY. An enormous advantage and profit, and I thank the gentleman for calling my attention to it. It is estimated generally, I believe, that in the process of manufacturing a pound of scoured wool there is a waste of 25 per cent, but that waste is in itself a product that has value, and upon that the manufacturer gets his protection as well as the value of the waste—a further advantage under this compensatory system.

OUR PROCEDURE.

Now, Mr. Chairman, in fixing our rates in this bill we have borne in mind that the instructions of the Democratic Party in its last platform were that we should make "substantial" reductions in all the necessities of life, and "gradual" reductions in all other schedules, looking to a revenue basis, and so we have cut the present average rate of 90.12 per cent on manufactured wool down to a little more than an average of 42 per cent ad valorem, and we have cut the average rate of 44.18 per cent now existing on raw wool down to a flat 20 per cent ad valorem.

We have endeavored to alleviate existing conditions to the extent of making the reductions we have made. Whether the figures we have named prove in practical operation to be too low or too high is a matter of detail that can only be determined by putting them into actual operation. The real reform we contemplate is not confined merely to the reduction of the enormous rates of duty now existing, but to the revision of the entire system of collecting those duties.

We were compelled to rely and did rely upon the estimates of our experts and the governmental experts that the figures named by us would yield approximately on manufactured wool and raw wool as embraced in Schedule K \$40,000,000. We felt that Schedule K, as we framed it, should realize that much money in order to provide sufficient revenue for the Government. We know from practical experience that last year under the present enormously high rates, with a population of 92,000,000 people, Schedule K on manufactured woolen products yielded but \$20,775,820.76, while in 1896, with a population of perhaps 75,000,000 people and under the very low rates of the Wilson law, manufactured goods under Schedule K yielded that year a revenue of \$23,121,474—\$3,000,000 more than the Payne law yielded last year. We therefore know that lower duties than now exist will increase the revenue.

We have not been unmindful of the interests of all parties affected by tariff legislation. We have no war to wage against any legitimate industry. We wish to encourage them all. In the matter of labor cost, I think that is taken care of in the rate fixed by us on manufactured products. I do not know of anyone who can speak authoritatively and positively and certainly as to what the labor cost is. The gentlemen who are chiefly interested, as they say, in protecting this labor cost furnish us the least information about it. I read from the hearings before the Ways and Means Committee of two years ago the statement of Mr. William Whitman, president of the National Association of Woolen Manufacturers, on labor cost, as follows:

We should have been glad to have furnished you with information relating to the comparative cost of production of woolen goods in foreign countries and the United States, but that is unobtainable.

But we are not left entirely in the dark as to what this labor cost is, because in a report made by the Labor Commissioner, Mr. Carroll D. Wright, in May, 1892, he states the labor cost of producing woolen fabrics in the United States to be 20.89 per cent of the total cost of production.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. UNDERWOOD. I yield the gentleman such further time as he desires.

Mr. BRANTLEY. In England the testimony before the British Tariff Commission in 1905 shows that the labor cost of producing woolen fabrics ranges from 14 to 24 per cent of the total cost. If we take the lowest English cost, 14 per cent, and deduct it from the American cost of 20.89 per cent, we have a net difference of labor cost of less than 15 per cent. If we take the highest English cost, we have a lower labor cost in this country than in England. If we take an average or a medium between 14 and 24 per cent—say, 19 per cent—we have a net difference in labor cost of less than 2 per cent. If we assume, Mr. Chairman, that labor in England does not cost anything, we have still only the American labor cost of a little more than 20 per cent to provide for, while the pending bill affords a net rate for the manufacturer—deducting the per cent of duty that he pays on his raw material—of between 30 and 35 per cent. [Applause on the Democratic side.]

So, that under any authentic estimate that has been made of the difference in labor cost in this country and abroad, the pending bill is more than ample to cover. The rates fixed in the bill we believed to be necessary, according to the best information we could obtain, to provide the needed revenue for the Government. We designed them to be not only revenue rates, but also competitive rates, and there we draw the line between our policy and the Republican policy. There we join issue with them in favor of competitive rates as against prohibitory rates.

The chief beneficiary under Schedule K as written, the American Woolen Manufacturers Association said through its president, Mr. Whitman, in his testimony before the Ways and Means Committee two years ago, that notwithstanding the enormous rates given to woolen manufactures—running from 100 to 150 and 200 per cent on the foreign cost—that this business was not protected, and that the then existing law—the Dingley law—was not a protective law and could not be protective unless all importations were forbidden. The present law adopted Schedule K of the Dingley law, so that his criticism applies also to the Payne-Aldrich law, and we thus have a clear Republican definition of what is meant by a protective tariff.

We draw the line against Mr. Whitman's idea and this Republican policy of protection. We fix rates that we believe will be competitive, that will be fair to the American manufacturer, that will allow him to compete in this market upon equal terms, the foreigner having no advantage over him by reason of cheaper labor cost, and we let him win and hold this market by the superiority and excellence of his productions. [Applause on the Democratic side.]

PROTECTION IN THE BILL.

Mr. Chairman, for my own part I do not deny, nor attempt to deny, that the rates fixed in our bill carry protection. In the first place, we were not called upon under our party platform to wipe out all protection. We realize that we can not in this country go at one jump from one extreme of high protection to the other extreme of strictly a tariff for revenue without upsetting business, producing disaster, and causing serious financial troubles, and so what we have undertaken to do has not been to wipe out all protection, has not been to abolish all tariff duties, has not been to go to free trade, but simply to make substantial reductions from existing rates, and that our bill does. [Applause on the Democratic side.]

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman permit a question?

Mr. BRANTLEY. Certainly.

Mr. MOORE of Pennsylvania. The gentleman's reasoning is clear and lucid, and is extremely interesting. I have endeavored to follow him as to the labor cost and would like to ask him if he has looked at this question from the viewpoint of the worker in the industry affected rather than from the viewpoint of the man criticizing the manufacturer? In other words, the gentleman admits, as I understand, that the labor cost is less in foreign countries than it is here.

He differs with gentlemen upon this side as to the percentage of difference. I think it is higher in favor of the foreign manufacturer than the gentleman thinks it is. I ask the gentleman whether this reduction of duty will not, by reason of foreign competition, depress the employment of the man in the mill and bring about that very period of disaster to which the gentleman has referred?

Mr. BRANTLEY. Mr. Chairman, I have stated that in framing our bill we have endeavored to take into view and consideration all interests to be affected by our proposed legislation. In my judgment, when lawmakers come to write a tariff law affecting a given manufacture, where the raw material of

that manufacture is produced in this country and is itself a large industry, they have four factors to take into consideration in fixing the rate of taxation. They must consider, first and primarily, the Government of the United States and its need for revenue. They must consider, second, the consumers of this country and see to it that they are not unduly burdened and oppressed by taxation. They must consider, third, the producer of the manufactured product and his labor and employees. And they must also consider, fourth, the producer of the raw material and his labor and employees. We have undertaken in framing this bill to consider all the interests involved, and to fix rates that, in the light of all the information we had, seemingly to us take care of all interests.

Mr. MOORE of Pennsylvania. May I ask the gentleman another question?

Mr. BRANTLEY. Certainly.

Mr. MOORE of Pennsylvania. Assuming that these figures are accurate, does not the gentleman think it would be disastrous to at least a portion of the country, and to that extent to the whole of the country, if the wages of a wool sorter in the United States, being \$15.50, were put in competition with the wages of a wool sorter in Germany, who receives \$3.75 for the same amount of work for the same number of hours of employment? Would not that be disastrous to industry in this country?

Mr. BRANTLEY. Mr. Chairman, that is an irrelevant question because we have no facts to sustain it. Of course, there is not a true American citizen—there is not an American Congressman whatever his party—who does not at all times stand for America and the American people, including, of course, American labor, and we of the Democratic Party have not forgotten American rights in the rates we have fixed in this bill. [Applause on the Democratic side.] We are protesting against the unjust taxation of the very laborer that my friend is inquiring about.

Mr. MOORE of Pennsylvania. I direct the gentleman's attention to the fact that it is that laborer who in the last analysis will be affected. Earning the wages I have indicated, our workmen could not stand in competition with those who obtain the lower wage in foreign countries.

Mr. BRANTLEY. Oh, my good friend has put up a man of straw to knock down. There is nothing I have said that makes his inquiry or suggestion at all relevant. Now, Mr. Chairman, I said we attempted to make our rates in this bill competitive, and also that I made no denial of the fact that there is some protection in the bill. Our party platform, as I have said, did not command us to write out all the protection in the present law at one time. But, in addition to that reason for the protection in the bill, I said some moments ago that you could not impose a tax or duty on a competitive article, I care not how low or how strictly you impose it for revenue, that is not in and of itself a protective rate to the domestic article of like kind. I can not state that proposition any stronger or so strongly or so clearly as it was stated by President James K. Polk in his message to the American Congress that framed the Democratic Walker tariff of 1846. He used this language:

If Congress levy a duty for revenue of 1 per cent on a given article, it will produce a given amount of money to the Treasury, and will incidentally and necessarily afford protection or advantage to the amount of 1 per cent to the home manufacturer of a similar or like article over the importer. If the duty be raised to 10 per cent, it will produce a greater amount of money and afford greater protection. If it be still raised to 20, 25, or 30 per cent, and if, as it is raised, the revenue derived from it is found to be increased, the protection or advantage will also be increased, but if it be raised to 31 per cent and it is found that the revenue produced at that rate is less than at 30 per cent, it ceases to be a revenue duty. The precise point in the ascending scale of duties at which it is ascertained from experience that the revenue is greatest is the maximum rate of duty which can be laid for the bona fide purpose of collecting money for the support of government. To raise the duties higher than that point and thereby diminish the amount of money collected is to levy them for protection merely and not for revenue.

Now, Mr. Chairman, the difference between our bill and the present Payne law is that we have written our rates for the purpose of revenue and purposely made them competitive, while the rates of the present law were written primarily for protection and are purposely made prohibitory.

Further, Mr. Chairman, President Andrew Jackson, in his fourth annual message, urged that—the whole scheme of tariff duties be reduced to a revenue standard as soon as a just regard to the faith of the Government and to the preservation of the large capital invested in establishments of domestic industry will permit.

This is the identical view expressed in our last Democratic platform. The declaration there is to reduce all tariff rates to a revenue basis, making our reductions to this end substantial and gradual, thereby showing regard for existing con-

ditions. President Jackson, who believed in a tariff for revenue, also said:

The general rule to be applied in graduating duties upon articles of foreign growth or manufacture is that which will place our own in fair competition with those of other countries, and the inducements to advance even a step beyond this point are controlling in regard to those articles which are of primary necessity in time of war.

He thought, as we think, that the rate should be competitive, and the rule he laid down is the rule we have followed.

DEMOCRACY AND LABOR.

Mr. Chairman, I do not think it necessary for me to consume the time of the House to demonstrate that the Democratic Party from time immemorial has regarded and stood upon the proposition that in all tariff legislation American labor must be provided for. In our platform of 1884, for instance, we declared for a reduction of the rate of taxation, and said:

The necessary reduction can and must be effected without depriving American labor of the ability to compete successfully with foreign labor, and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.

The party made the same declaration in the platform of 1888, and then favored a fair and careful revision of our tax laws, "with due allowances for the differences between the wages of American and foreign labor."

Mr. Chairman, it seems to me that the contention of our friends upon the other side that the American manufacturer in this the twentieth century, with all our progress in arts and sciences, with all the advanced civilization we enjoy, with all our wonderful inventions and labor-saving devices, can not live unless we give him 100 per cent advantage over his foreign competitor can not be maintained. To maintain it is to reflect upon our skill, our intelligence, and our industry, and it seems to me is to give the lie to all our boasted superiority over all the nations of the world. [Applause on the Democratic side.]

DOLEFUL PREDICTIONS.

Mr. Chairman, our friends upon the other side in their minority views have indulged in some doleful and gloomy forebodings as to the effect of our bill, if it becomes a law. They tell us that if this bill becomes a law all the woolen mills will close and all the shepherds will turn out their flocks to die, and that the bill will bring ruin and disaster upon the entire country. I see my good friend from Pennsylvania [Mr. DALZELL] before me. I believe his name appears to these gloomy and direful predictions in the views of the minority of the committee. I would suggest to him and to the others that back yonder in 1846, when the Democratic Walker tariff bill was being enacted into law, there was then present in this House another gentleman from Pennsylvania, Mr. Alexander Stewart. He, too, had gloomy and direful forebodings as to the result of the operations of the Democratic Walker tariff. He put his into the form of an amendment to the bill. He proposed to amend the title of the Walker tariff so that it would read:

A bill to reduce the duties on the luxuries of the rich and increase them on the necessities of the poor; to bankrupt the Treasury, strike down American farmers, mechanics, and workmen; to make way for the products of foreign agriculture and foreign labor; to destroy American competition, and thereby establish a foreign monopoly in the American market, and by adopting the principle of "free trade" to reduce the now prosperous labor of this country to the degraded level of the pauper labor of Europe; and, finally, to destroy the property and independence of these United States and again reduce them to the condition of colonies and dependencies of Great Britain.

Mr. Chairman, it would seem our friends of to-day are not even original in the forebodings in which they indulge. Let us see what followed the forebodings which were indulged in in 1846, when the Walker tariff was being considered. In the first place, it was enacted into law and lived for 11 years. But one other tariff law in all the history of this country lived any longer, and that was the Dingley law, that lived for 12 years. What was the effect of the Walker tariff? Listen to these figures. In the decade from 1820 to 1830 the wealth of this country increased 41 per cent. In the decade from 1830 to 1840 the wealth of this country increased 42 per cent. In the decade from 1850 to 1860, during the operation of the Walker tariff, the increase in wealth reached the astounding percentage of 126.45 per cent. [Applause on the Democratic side.]

Mr. CANNON. Will the gentleman yield right there?

Mr. BRANTLEY. With pleasure.

Mr. CANNON. Will the gentleman tell us that, after we have lived as we have from 1860 to the present time, the wealth of the United States has increased from \$1,600,000,000 in 1860 to \$125,000,000,000 in 1910?

Mr. BRANTLEY. Mr. Chairman, I have not the figures before me, but if my friend states that those are the figures, I am not prepared to take issue with him. He can incorporate them into his speech.

Mr. CANNON. But I wanted to get them in at this point.

Mr. BRANTLEY. Unfortunately, I have not the figures before me.

Mr. CANNON. But I state that that is so.

Mr. BRANTLEY. Mr. Chairman, we all rejoice at the growth of our country from 1860 until now, whatever that growth may be; but however great it is, the fact still remains that under the operation of the Walker tariff, which gentlemen at that time said would ruin and destroy this country, the wealth of the country in 10 years' time under its beneficent operation increased more than 126 per cent.

All classes and all business thrived under that tariff. During this decade, from 1850 to 1860, agricultural products increased 95 per cent and manufactured products 87 per cent. That tariff law carried a duty of 30 per cent ad valorem on raw and on manufactured wool, and under its operation the number of sheep increased from 21,723,220 to 24,823,371, and the production of wool increased from 52,516,950 pounds to 60,511,343 pounds.

If we are given the opportunity by enough votes at the other end of the Capitol, followed by approval at the White House, to put our bill into operation, we doubt not that the same happy and beneficent result that followed the operation of the Walker tariff will follow the operation of the pending bill. [Applause on the Democratic side.]

RAW MATERIAL.

Mr. Chairman, just a few words in reference to the duty on raw wool. The pending bill proposes a duty of 20 per cent on raw wool. Personally, I believe that raw wool should be taxed so long as manufactured wool is taxed. That is my individual opinion. I do not mean or undertake to say that all the gentlemen who agree with me in voting for this tax at this time agree on the principle that raw wool should always be taxed. The condition that confronted us to begin with was that we must raise approximately \$40,000,000 from the wool schedule. We could not raise that amount of money on manufactured wool without imposing a duty that would be entirely too high, and we found that when we reached the maximum revenue rate to go higher would reduce importations, and consequently the revenue; and so this duty of 20 per cent ad valorem on raw wool was incorporated in the bill.

For my own part, I have no apology to make for it. I believe it ought to be there, so long as the duty is there on the manufactured product. So far as Democratic precedents are concerned, there are precedents for free wool and there are precedents for a tax on raw wool.

I take no issue with and have no criticism of those brave and loyal Democrats who, acting with the lights they had before them in the eighties and in the nineties, felt that the wise thing at that time to do was to make raw wool free. They dealt with the emergency that confronted them. They met the responsibility that they assumed in the way that to them seemed best. We to-day meet the emergency that confronts us, and carry the responsibility that is ours in the way that to us seems wisest and best.

The question is one of taxation, and if the revenue is needed, the tax should be levied. I do not lay down any rule that raw material at all times, in all cases, ought to be taxed. The only extent to which I go is to protest against the opposite rule, that raw material at all times and under all conditions must be free. If left to me, I would sometimes tax raw materials, and sometimes I would not tax them. But when the finished product bears a tax, and the raw material from which it is made is itself the result of an established industry in our country, I do not see how we can escape the duty of imposing a tax upon the raw material also. Otherwise we must face the charge of enacting a discriminatory law.

Every man knows that free raw material is protection to the manufacturer. I know some wise gentlemen say it is not protection, that it is merely the removal of a restriction that puts the manufacturer on an equality with manufacturers abroad, or that it is the removal of a restriction that enables the manufacturer to get his raw material more cheaply. I do not think it makes any difference to the manufacturer whether we call it "protection" or whether we call it "the removal of a restriction." It is dollars in his pocket to have his raw material free, and the name given the dollars does not affect their purchasing power.

For myself, I do not possess the ability to go before the producer of raw material—the woolgrower, for instance—and convince him that a law requiring him to sell his wool at free-trade prices to the manufacturer only to buy the same raw wool back in its manufactured state, with its value arbitrarily increased 25 or 30 or 40 per cent by a tariff tax, is a just and fair law to him. If I undertook to tell him that the tax on the manu-

factured wool was levied in order to get revenue, he would be apt to tell me that I could also raise revenue by taxing raw wool. Raw wool yielded more revenue last year than did manufactured wool. Raw wool throughout the history of our Government has ever been a splendid revenue producer.

If the argument is made that capital and labor are invested in the manufacture of wool and that such manufactures ought to be fostered, what answer is made to the reply that capital and labor are also invested in wool growing, and that without wool the factories are worthless? Is not the laborer who tends the flock and shears the sheep entitled to the same consideration as the laborer in the factory? For my own part I do not know of any reason why there should be a discrimination between the laborer in one industry and the laborer in another industry. [Applause.] I undertake to say that where there is a manufactured product, the production of the raw material of which is in itself an industry in this country, if the necessity exists to tax the manufactured product, the same necessity exists to tax the raw material.

I said a few moments ago, in answer to the gentleman from Pennsylvania [Mr. MOORE], that where that state of affairs exists there are four factors to consider in fixing the rate of duty. They are (1) the Treasury; (2) the consumer; (3) the manufacturer; and (4) the producer of the raw material.

If, upon the contrary, we have a manufactured product in this country, as in the case of rubber, where the crude rubber is not produced in this country, then we have but three factors to consider—the Treasury, the consumer, and the manufacturer. In that case it is merely a question as to where we can get the most revenue, and whether it is better to reduce the rate on the manufacturer's article and thereby increase the revenue or whether it is better to let the rate on the manufactured article remain the same and tax the manufacturer by putting the duty on his raw material. The question is one of revenue and of policy.

My own theory is, as I have endeavored to state it, that where the article is competitive the rate must necessarily be protective, whatever the amount, and that fact I can not overlook in considering the producer of the raw material. I would not lay a rate except for the purpose of revenue; but in the case of wool, being compelled to raise revenue from Schedule K in order to support the Government, I would first estimate, as we did, the total amount of revenue that should be raised, and then I would raise that revenue by revenue rates, apportioned between the raw material and the finished product, so that the consumer would not be overtaxed, the Treasury would have the revenue it needed, and, as President Polk expressed it, whatever advantage resulted from the levy of the revenue tax would be apportioned between the manufacturer and the producer of the raw material. I do not know any other method or way by which justice and equality can be done.

If called upon to-day to define raw material, I would not know how to do it. If gentlemen say that raw material must be free, they should go one step further and tell us what is raw material. In this woolen industry the greasy wool is the raw material of the comb, but it is the finished product of the woolgrower. The tops are the finished product of the comb, but are the raw material of the yarn mill. When the yarn mill converts the tops into yarn, the yarn is its finished product, but it is the raw material of the weaver. When the weaver converts the yarn into cloth, that is his finished product, but it is the raw material of the tailor, the dressmaker, and the clothing manufacturer. If we lay down a hard and fast rule that raw material must be free, then it seems to me that in Schedule K the only item we should tax would be the ready-made suit of clothes.

Mr. Chairman, taxation should be fairly distributed so that its burdens will be borne equally. To make raw wool free while taxing manufactured wool is not for revenue, for it raises no revenue. It is for protection alone to the manufacturer and makes the burden of taxation unequal. The views I express are not new. They did not originate with me. They are as old as the Democratic Party itself, and have time and again been declared. James K. Polk, who sent the message to the Congress that framed the Walker tariff law, declared in that message that—

Care should be taken that all the great interests of the country, including manufactures, agriculture, commerce, navigation, and the mechanical arts, should, so far as may be practicable, derive equal advantages from the incidental protection which a just system of revenue duties may afford.

He also said:

The terms "protection to domestic industry" are of popular import, but they should apply under a just system to all the various branches of industry in our country. The farmer or planter who toils yearly in his fields is engaged in "domestic industry," and is as much entitled to have his labor "protected" as the manufacturer, the man of

commerce, the navigator, or the mechanic who are engaged also in "domestic industry" in their different pursuits. The joint labors of all these classes constitute in the aggregate the "domestic industry" of the nation, and they are equally entitled to the nation's "protection."

Robert J. Walker, whose famous report was responsible for the writing of the Walker tariff, complained of the then existing tariff law of 1842 that:

It discriminates in favor of the manufacturer and against agriculture by imposing many higher duties upon the manufactured fabric than upon the agricultural product out of which it is made.

The Democratic tariff of 1846 put a 30 per cent ad valorem duty on raw wool. Every tariff law enacted by the Democratic Party from 1816 until that time imposed a duty on raw wool.

President Andrew Jackson, in dealing with the subject of the tariff in his message of 1829, said:

The agricultural interest of our country is so essentially connected with every other, and is so superior in importance to them all, that it is scarcely necessary to invite to it your attention. It is principally as manufactures and commerce tend to increase the value of agricultural productions and to extend their application to the wants and comforts of society that they deserve the fostering care of government.

In this same message he also said:

Looking forward to the period not far distant when a sinking fund will no longer be required, the duties on those articles of importation which can not come in competition with our own productions are the first that should engage the attention of Congress in the modification of the tariff; of these tea and coffee are the most important.

Mr. Chairman, even that celebrated so-called free-trade memorial of Albert Gallatin, prepared in 1831, demanded not free trade, but such a modification of the tariff—

as shall be consistent with the purposes of revenue and equal in its operation on the different parts of the United States, and on the various interests of the same.

In reference to wool, the language of this report was not for free wool, but that—

The duties on wool as well as on the manufactures of wool should be considerably reduced.

Wool could not be free and manufactured wool taxed and the tariff be equal in its operations on the various interests of the country.

The Democratic platform of 1896 said:

We hold that tariff duties should be levied for purposes of revenue, such duties to be so adjusted as to operate equally throughout the country, and not discriminate between class or section, and that taxation should be limited by the needs of the Government honestly and economically administered.

The pending bill contains rates limited by the needs of the Government, and by taxing both raw and manufactured wool they are so adjusted as to operate equally and not to discriminate between classes or sections.

The Democratic platform of 1904 declared for a tariff—

so levied as not to discriminate against any industry, class, or section, to the end that the burdens of taxation shall be distributed as equally as possible.

And further declared that in a revision and gradual reduction of the tariff we should keep in view "equality of burdens and equality of opportunities." [Applause on the Democratic side.] This bill is framed upon that sound Democratic principle.

The pending bill proposes to raise about \$13,000,000 annually on raw wool. That money must be raised by taxing something. If we do not raise it on raw wool, we save the people nothing in the way of taxation, for we must tax them on something else they use in order to raise it. The Government can not live unless the people are taxed. To remit the duty on raw wool does not mean any substantial reduction of the rate on manufactured wool, for that rate has already been fixed at what we believe to be the rate necessary to raise the needed revenue from that source. The practical effect, therefore, of making raw wool free would be to donate to the American wool manufacturers the \$13,000,000 that this bill says should go not to him but to the Treasury of our Government.

THE RAW-WOOL INDUSTRY.

I can not forego saying something in reference to the woolen industry of the world, because there can be no intelligent consideration of Schedule K without a knowledge of the condition of the world's wool industry.

Mr. LONGWORTH. Will the gentleman permit a question?

Mr. BRANTLEY. Certainly.

Mr. LONGWORTH. Before the gentleman leaves entirely his discussion of the taxation of raw materials, to which I have listened with a great deal of interest, I want to know if I understand the gentleman's position. Is it his position that wherever a tax is placed on any manufactured article there should always be a tax on the raw material which goes into it?

Mr. BRANTLEY. The gentleman did not understand me. I said that wherever a tax was placed on a manufactured product and the raw material out of which the manufactured product

was made was a large industry in this country, if the manufactured product was taxed, I thought the raw material should also be taxed.

Mr. LONGWORTH. I would like to know whether the logic of the gentleman's position would lead him to say that wherever a tax was placed on raw material there should always be a tax on the manufactured article?

Mr. BRANTLEY. I should think so, undoubtedly.

Now, Mr. Chairman, that reminds me that something has been said here about crude rubber. I understand there was imported last year something over \$90,000,000 in value of crude rubber, and it came in free. The duty on manufactured rubber was for some reason, I do not know what, increased in the present law from 30 to 35 per cent. The total schedule on manufactured rubber, as I recall it, yielded only about \$250,000 of revenue last year, and yet here is the raw material of which it is made of more than \$90,000,000 in value that is imported free, while the rate on the manufactured product is placed so high that none of the manufactured material can come in. In my judgment this is one schedule, when we get to it, that we are going to overhaul and make some changes in. [Applause on the Democratic side.]

I do not think the rubber schedule and the silk schedule stand exactly upon the same footing, and yet the silk schedule, no doubt, needs some overhauling itself. In the case of silk we imported free of duty last year over \$60,000,000 in value of raw silk, but there were sufficiently low rates on manufactured silk that, as I recall it, we raised something like \$17,000,000 in revenue last year from the duties on manufactured silk. Now, here is silk, importing \$60,000,000 in value of raw material and yielding \$17,000,000 of revenue on manufactured silk, while rubber imports free \$90,000,000 in value of raw material and yields but \$250,000 of revenue on manufactured rubber.

Mr. Chairman, I was undertaking to say, however, something about the world's wool industry. The United States, according to the statistics furnished us, from 1891 to 1910 increased its wool production 4.8 per cent and its population 50.6 per cent. South America increased its wool production 50.2 per cent and its population 28.6 per cent. Europe increased its population 9.5 per cent and decreased its wool production 24.3 per cent. Asia increased its wool production 3.6 per cent and increased its population 7.7 per cent. Africa increased its wool production 22.5 per cent and increased its population 24.5 per cent. Australasia increased its wool production 51.6 per cent and its population 28.7 per cent.

Mr. W. A. Graham Clark, a special agent of the Department of Commerce and Labor, submitted a special report on wool and woollens in November, 1908, published as House Document 1330, in the Sixtieth Congress, second session. I shall not consume the time of the House to read his report, except this one startling expression:

It seems that the world's wool growth has reached its limit.

Mr. Chairman, the figures that I have just given as to the increase in wool production and in population seem to make good or to justify that assertion. We consumed in 1910 of wool 6.80 pounds per capita. We consumed nearly one-fourth of the world's total production of wool. It is said—and, so far as I know, it is substantially true—that we are the only large wool-manufacturing country in the world that imposes a tax on raw wool, but gentlemen who make that assertion fail to state the further proposition that we are also the only large wool-manufacturing country in the world that is also a large wool-producing country. In 1910 we produced nearly 60 per cent of our wool consumption. The United Kingdom produced but 27 per cent of her wool consumption, Austria but 31 per cent of hers, France but 17 per cent of hers, and Germany but 6 per cent of her wool consumption.

It seems to me, in view of these figures, that if, as President Polk said, there is an advantage given by the levying of a revenue duty to the article upon which it is levied, in view of this condition of the wool industry of the world, there should be no objection to the slight advantage going to wool in this country by reason of the revenue duty we have put on raw wool. The question is much broader than the advantage to the wool-grower, for if it is important, as everyone concedes, for us to manufacture woolen goods and to have woolen factories in this country, it is infinitely more important for us to produce wool that can be manufactured; for in time of war, if we have the factories and no wool, we can manufacture nothing, but if we have the wool and no factories, we can build the factories and have the woolen clothes that are so essential. [Applause on the Democratic side.]

I confess that I do not know just what effect our rate of 20 per cent ad valorem will have on the supposed advantage that the woolgrower has under the existing tariff. The existing

tariff at 11 cents per pound and 12 cents per pound amounted last year to an ad valorem rate, so the experts tell us, of around 44 per cent, but has the woolgrower of this country advantaged to that extent? Many of them argue that they are only advantaged to the extent of possibly half that amount, and some of them say they are not advantaged at all by the present law. And why? Because, Mr. Chairman, the price of the American woolgrowers' wool is supposed to be fixed, not by the duty on raw wool but by the value of the scoured pound of wool. The present law trebles the duty on scoured wool, ostensibly in the interest of the American woolgrower, but the operation of our law is such that, although our wools shrink 60 to 80 per cent, and are wools of great shrinkage, the great shrinkage wools of other countries do not come into this country. Our rate keeps them out, so that there is imported into this country wool at 11 cents per pound that shrinks very little, and the value of the tariff to the American woolgrower is fixed, not by the duty of 33 cents per pound on the scoured wool, but is fixed by the raw wool that comes in here at 11 cents per pound, which—some of it, at least—shrinks but little more than scoured wool does. The operation of the law, then, is that the American woolgrower, as many of them state, secure no advantage under the present law. Whatever the facts may be in this regard, the value of the law that we propose is that the rate is fixed, certain and stationary, and every woolgrower and every woolen manufacturer and every worsted manufacturer will know just what the rate of duty is and just how much he is taxed.

But more than that, the woolgrower will find a new market for his wool, for wool will be used where wool should be used, and will take its rightful place where base substitutes are now employed. Moreover, should this bill prove a substantial reduction in the tariff on wool, we must remember that the world needs wool as badly and worse than we do, and will not let us have it save at a substantial price.

IN CONCLUSION.

Mr. Chairman, I feel that I have delayed the House too long with these remarks and must bring them to a close. We have found as a reason for our bill that the present law cheats and defrauds the Government of its just revenue; leaves the people clad in cheap and unfit clothing, many of them in cotton when they should have wool. We find a monopoly existing, and the inherent freedom of the American citizen to buy when and where he pleases taken from him; we find high prices prevailing, and finally we ask who is benefited? Years ago Andrew Jackson foresaw with prophetic vision what would take place under this system of ever and ever advancing tariff rates. He urged the reduction of all the rates to a revenue basis. He used this language:

In some sections of the Republic its influence—

That is, the influence of protection—

is deprecated as tending to concentrate wealth into a few hands, and as creating those germs of dependence and vice which in other countries has characterized the existence of monopolies and proved so destructive of liberty and the general good.

The tendency that he foresaw is here. Wealth has been concentrated into a few hands, monopolies have been created, the spirit of dependence upon the Government has grown and grown so that our tariff rates under Republican rule have never been revised except to be raised. Some gentlemen have inquired to know why it is that under these high rates we have any importations at all. Prof. Taussig in one of his admirable books tells us that in many cases this is due to the fact that the domestic producers have failed to keep abreast of the foreign producer and high duties are primarily and oftentimes simply "props for the industrially inefficient." The goods come in because they are goods our mills do not produce.

The incentive to efficiency is gone when the Government guarantees profits without regard to efficiency. Dependent upon the Government, independence is gone and genius and courage and initiative are paralyzed.

Instead of crowding the statute books with laws against trade and commerce that no one understands, and instead of encumbering the books with court opinions about the meaning of which even our law experts differ, let us introduce the great law of competition. Let down the tariff bars, not to a free-trade basis, not necessarily, if you please, to a strictly absolutely revenue basis, but let them down to a competitive basis, and not only will the National Treasury be provided for, but monopolies and trusts can not here exist unless they be world-wide.

The pending bill is a start in that direction. The remedy for trusts and monopolies in this country is in the hands of the people themselves. It has time and again been demonstrated that they can not get the tariff reduced to a competitive basis under Republican rule. The remedy therefore is to send not

only to this House a Democratic majority, but one to the upper Chamber, and to place in the White House a true and stalwart Democrat.

Mr. Chairman, the Democracy whose will we of the majority are to-day seeking to enact into law is a Democracy that loves the Constitution and has at heart the welfare of all the people. It is camped not upon the mountain top, alone with the producers, nor yet at the foot of the mountain, with none but consumers.

This Democracy of which I speak is deeply concerned for the consumer, but well it knows if our Nation becomes a nation of consumers alone it will surely die, and so it is concerned for producers also.

It is camped upon the side of the mountain, where neither the strong winds blow nor the high waters come, and it invites consumers and producers alike to come and do battle for right and justice beneath its unfurled banner of "Equal rights to all and special privileges to none." [Loud applause on the Democratic side.]

Mr. PAYNE. Mr. Chairman, I yield 60 minutes to the gentleman from Kansas [Mr. MURDOCK]. [Applause.]

Mr. MURDOCK. Mr. Chairman, are the duties in this bill protective? They are protective. In that I agree with the statement just made by the gentleman from Georgia, to wit, that any item in a tariff bill is protective save in two instances: First, when it is on the free list; and, second, when it is a non-competitive product.

The gentleman from Georgia [Mr. BRANTLEY] made another statement with which I do not agree, to wit, that this bill conforms to the pledges of the Democratic national platform. The Democratic national platform of 1908 made three pledges on the tariff, namely:

First. That material reductions should be made in the tariff upon the necessities of life.

Second. Gradual reductions should be made in such other schedules as may be necessary to restore the tariff to a revenue basis.

Third.—

To which this bill does not conform—

Articles entering into competition with trust-controlled products should be placed upon the free list.

Mr. Chairman, in a way it is unfortunate that this bill, the revision of Schedule K, wools and woolens, is to have partisan treatment. If all here felt free to vote for amendments, regardless of caucus action or partisan prejudice of any kind, the public would benefit infinitely.

For instance, believing, as I do, that the duty carried on worsteds for men's and women's wear in this bill is indefensible, that it is an outrage on the entire population, I am firmly convinced that if the Members of this House should come to understand the facts in the case a majority of the Members could no more be induced to put a duty on worsteds than they could be to put it on coal oil.

I can see where a possible defense might be made for a tariff on carded woolens.

But I can not see for the life of me how anyone in the American Congress can aid the Worsteds Trust by putting a tariff on worsteds either as a frankly avowed measure of protection or under the pretense of a tariff for revenue.

I can see where a possible defense might be made for a tariff on certain yarns.

But I can not see how any man here, knowing the Worsteds Trust, knowing its cruel activities in the fabric field, can back it up while it continues to twist its long strangling fingers around the throat of the American consumer.

The Worsteds Trust has lowered the quality of goods that the consumer buys, lowered it to the point that clothing manufacturers have been ashamed to pass the fabrics on to the wearer. See the letter of the clothing manufacturers of Cincinnati to NICHOLAS LONGWORTH in the tariff hearings of 1909. Max Silberberg wrote Mr. LONGWORTH:

As a manufacturer of clothing for a period of almost 50 years, I can truthfully state that I never handled cloth of such inferior quality for the price as I do now. The masses, consisting of laborers, mechanics, and farmers, the real users of ready-made clothing, are receiving practically no value for their money.

The Worsteds Trust has increased the price to your constituent and to mine of the clothes he wears. Note these figures: In the first five years of the trust's existence, 1900 to 1905, worsted goods for men jumped in "value" per yard from 79 cents to 95 cents—16 cents. In the same period, woolens for men, as contradistinguished from worsteds, increased only 3 cents.

Mr. CAMPBELL. That is the manufacturer's price, or the retail price?

Mr. MURDOCK. That is the value at the mill.

The Worsteds Trust has by stock manipulation paid out in 11 years on probably not over \$15,000,000 original investment \$22,000,000 in dividends, and has built up besides an establish-

ment carrying a capital of \$60,000,000, with a surplus of \$10,000,000 on hand on top of that.

Mr. HUGHES of New Jersey. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Kansas yield to the gentleman from New Jersey?

Mr. MURDOCK. No; I can not yield.

The Worsteds Trust has dominated its own field, manipulated successfully the field of its rival, the carded-woolen interest, has dictated to the clothing trade, and twisted and turned the thumbscrews on the purchaser of fabrics without stint, mercy, or conscience.

It has had the advantage of a "joker" in the raw-wool classification of Schedule K; also of a "joker" in the yarn and tops duty; also in the enormous duty on the cheaper grades of cloth; and the advantage of a prohibitive duty on shoddy, mungo, and the wastes.

It has had the advantage of employing more women and children proportionately than the carded-woolen interest and paying them on the average less.

Petted, pampered, privy at least once to the secret deliberations of a tariff-writing committee, full-fed upon the unfair provisions of the tariff, gross and greasy from the fat fried out of your constituents and mine, the Worsteds Trust is not deserving of the fostering care of this Government in shape of a protecting duty, and no man on that side in his servility to the caucus, and no man on this side in his servility to partisan preconception can afford to vote against an amendment making all worsteds cloths free.

I realize that there is on this side of the Chamber a loyalty to the letter of a party principle, enhanced in this instance somewhat by the knowledge that the ancient Schedule K has preserved its form through nearly half a century. But this is not a situation where tradition should have weight. I am a protectionist, one who believes in asking a common contribution from all, that we may surround a young, immature, growing industry with artificial advantages until it is strong enough to pay back that contribution through the price-lowering processes of competition. But when an industry has grown so great that it can starve, stifle, and strangle competition and turn the favor it received from the people into a bludgeon against its benefactor, then it is the business of every Republican to protect, not that industry, but the people. [Applause on the Democratic side.]

I realize also that there is, on the other side of this Chamber, at present an over-anxious industry among the Democrats in imagining false values into the advantages of party harmony, a disposition to rush blithesomely into a caucus and beg to be gagged and bound by the un-American unit rule. There are men, many men there, who believe completely in making worsteds free. Why not vote that way? Is there any mistaken sense of loyalty to leadership that can counterbalance the plain duty of loyalty to your constituents? [Applause.] Is there any partisan profit to be derived from the method of "voting down all amendments" equal to the profit coming to the ordinary citizen in your district through voting up and in amendments that are just?

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. MURDOCK. I can not yield now.

The CHAIRMAN. Does the gentleman from Kansas yield to the gentleman from Pennsylvania?

Mr. MOORE of Pennsylvania. Just for a question?

Mr. MURDOCK. No.

The CHAIRMAN. The gentleman declines to yield.

Mr. MURDOCK. I can not yield now, I will say to the gentleman from Pennsylvania.

Let me say to the younger Members here: In this House no man can serve two masters. As a rule, he can not be loyal to the caucus and loyal to his constituency. If he serves the one truly he will serve the other falsely. There is nothing in blind obedience to the caucus, my friends. It is not good legislation. It is not good representation. It is not even good politics. The cause of direct popular government is on the march. The direct primaries have come. The national political conventions of 1912 will be the last wherein nominees will be actually named. In 1916 both the leading candidates will be nominated by a direct vote of the people. And along with that reform will come the abolition of the congressional caucus as an institution.

Let us examine into the matter of worsteds.

The head and front of the Worsteds Trust was organized in 1899. The basis of the new organization was found in four big mills, with a capital of \$6,500,000—the Washington mills, of Lawrence, Mass., with a capital of \$2,500,000; the National Mills, of Providence, R. I., with a capital of \$2,000,000; the Riverside Mills, of Providence, capital, \$1,000,000; and the Asso-

bet Mills, of Maynard, Mass., capital, \$1,000,000. The other mills taken in were smaller—30 in all.

The incorporation was on March 29, 1899, as the American Woolen Co., and there was an authorization of \$40,000,000 preferred stock and \$40,000,000 common stock. There was issued of this \$20,000,000 preferred and \$29,950,000 of common.

A large share of the preferred was water. All of the common was water. The preferred carried 7 per cent cumulative. The preferred pays its 7 per cent regularly. Of course the common stock has paid nothing.

With the institution of this dominating organization there began a stock manipulation which for dexterous creation of values out of nothing is probably without parallel in our rather spectacular history along that line. The larger mills, which were the basis of the combination, had a capitalization of \$6,500,000. The new company had at once built up a value in preferred stock of \$20,000,000, and added as an extra burden to the back of real values the further sum of \$29,950,000 common stock, all of it water. Therefore, the company had produced a paper value of \$49,000,000, and in a few years was counting out a net profit of 10 per cent annually upon this fictitious capital. But the process did not cease there. Nearly as soon as the new combination settled down to business it began to increase its preferred stock. This, it will be remembered, was \$20,000,000 in the beginning. Through the years it increased, until in 1907 it had reached \$35,000,000, and on July 16, 1909, it mounted to \$40,000,000. So that within 10 years the company on its first slender value had built a structure of \$40,000,000 preferred plus \$29,950,000 common, or in all a paper value of \$69,950,000. It had in addition a surplus on hand of \$10,000,000. That is, the fixed and working capital of the company, capital fictitious and actual, in 1909 totaled \$79,950,000. The net profits upon this enormous aggregate for 1909 reached about 8 per cent. And the American consumer paid the bill.

Still the common stock had never paid a dividend. Its holders, who had probably received all of it as a gift in the beginning, still possessed it as so much paper. Now they set out to give the common stock value. The management of the company was authorized to buy not exceeding 50,000 shares of common stock a year. In April, 1911 (that is, month before last), the management announced that it had bought up 95,000 shares, par \$100. The shareholders by a vote approved the purchase and decided to retire the stock so purchased, so that there is now outstanding not \$29,950,000 common stock, but \$20,000,000. When this was done, the man who had been given common stock as a bonus in the beginning, and who still held it, rejoiced and was exceeding glad, for this gave promise of dividends on the common stock, of adding value to common stock long worthless. But the man who had purchased the later issues of preferred saw that this was paying out good money for nonproductive purposes, and it was lessening the security behind the preferred stock and giving value to pure water in the common.

When the facts were published that the Worsteds Trust was so speculating and manipulating in its own stock it was recalled that formerly when the Steel Trust was accused of the same thing it resented the charge as an insult. And in April last, after the action of the American Woolen Co. in retiring its common stock in the manner related, the New York Evening Post declared that the financial public received the proposition with unanimous disapproval, because of the "utterly vicious financial theories involved."

But who really pays the bills? The wearer of the worsteds. The trust paid 7 per cent interest on \$20,000,000, on \$25,000,000, on \$35,000,000, and on \$40,000,000 preferred stock. By 1911 the company had paid in dividends to preferred stockholders \$22,000,000, a sum of money greater than the originally claimed value of the properties. It came out of the pockets of the American citizen who was paying an exorbitant price for an inferior cloth.

Now, the plan is plainly to ask the American public further to contribute to give value to the common stock, to swell the enormous surplus, to continue to pay dividends on the increasing volume of preferred stock.

In that operation is there anybody here who believes that the Worsteds Trust ought to have the assistance of a customs duty? To every dollar of actual value forced into the preferred stock of the trust the American consumer has contributed his share. To every dollar of actual value it is proposed to add to the common stock the American consumer will be expected to contribute from his earnings.

The 45 per cent on women's wear and the 40 per cent duty upon worsteds provided in this bill; 40 and 45 per cent upon (1) worsteds cloths with cotton warps, and (2) cloths made of

cotton and wool mixed in the yarn, and upon (3) fabrics that are all wool will help the trust in its performance.

There is not a man here who ought to help in the holdup. There is not a man here, who under the pretext of the necessity of revenue or for any other reason ought to vote to continue the white-knuckled hold of this industrial tyrant upon the throat of the Nation.

For I say to you that if all the chickens due on account of the infamies of Schedule K should come home to roost, this Capitol, during a revision of wools and woolens, would temporarily resemble a poultry farm.

Take the classification of clothing and combing wools in the present law. In nearly all the tariffs antedating the Civil War worsted goods had been either subject to comparatively low duties or admitted free. The worsted interest, which began to awake during the Civil War, started in early to get not only the general benefits, but the discriminations of the tariff. Look at the arrangement of the first two classes of raw wool. Clothing wool, wool for the carded woolen manufacturers, unwashed and not on the skin, bears a duty of 11 cents per pound. Clothing wool, washed and not on the skin, bears a duty of 22 cents per pound. Combing wool, wool for the worsted manufacturer, unwashed and not on the skin, bears a duty of 12 cents per pound. And combing wool, and here is the ancient joker, washed and not on the skin, bears a duty of 12 cents a pound. That is, washed wool for the cards, 22 cents a pound; washed wool for the combs, 12 cents a pound. Or, to put it another way, wool for woolens, 22 cents a pound; wool for worsteds, 12 cents a pound.

On the full-flowing tide of this gross discrimination the worsted interest swept ahead of its rival. There were 102 worsted mills in the country in 1870 with a capital of \$10,000,000, and 2,891 woolen mills with a capital of \$98,000,000. In 1905 there were 226 worsted mills with a capital of \$162,000,000, and 772 woolen mills with a capital of \$140,000,000. In 35 years the capital of worsted mills increased \$152,000,000; the capital of woolen mills, \$42,000,000.

During those years the woolen man was importing his wool unwashed and paying a duty of 11 cents a pound on the dirt. The worsted man was importing much of his wool washed at 12 cents a pound and getting all wool, not part dirt, part wool, for his money.

This alone would have been sufficient to hobble the carded-woolen industry. But that was not all. The marvelous compound duty, known as a compensating duty, further pushed the floundering carded-woolen interests into a situation of helpless submission. Schedule K has permitted textiles to bear two kinds of duties, an ad valorem on the cloth itself and a specific duty to compensate the manufacturer for his raw wool because it bore a duty. For example, on cloth valued at more than 40 cents and not more than 70 cents per pound the duty is 50 per cent of the value of the cloth and 44 cents per pound for the wool supposed to be in the cloth. This 44 cents was based on the claim—a claim that long has made the angels weep—that it takes 4 pounds of wool in the grease to make a single pound of cloth. Sometimes in the carded-woolen field it does take 4 pounds of wool in the grease to make a pound of cloth. But in the field of combing wools, in the worsted field, it takes about 2 pounds of wool in the grease to make a pound of cloth. So that half of the compensatory duty was a bonus pure and simple in the case of all-wool fabrics, and something more than a bonus in those fabrics made of cotton mixed—that is, cotton and wool mixed in the yarn—or of cotton warp—that is, cotton and wool mixed in the weave. Of cotton mixed, we made, in 1905, 63,197,407 square yards; of cotton warp, 182,057,061 square yards, the two together equaling in quantity the all-wool output of our country. Therefore the worsted interest has had a straight-out subsidy on all all-wool fabrics and a subsidy plus a bonus on all mixed goods. And all this over and above a protective duty.

Nor did the discrimination end there. For years a higher duty was placed on "tops" than was given yarns. This gave the worsted men the advantage in the business of tops and also permitted them to tighten their strangle on the carded-woolen men who purchased the "noils," the short fibers which come from the "tops" in combing.

Nor did even that close the chapter, which might be entitled "The Cinch of the Century." The carded-woolen trade could be further trampled by prohibitive duties on (1) rags; (2) "shoddy," which is reworked wool—and all wool—from soft woolens or worsted which was never milled; (3) "mungo," which is reworked wool from hard-spun or felted cloth; (4) "extract," which is wool fiber left after the cotton which was mixed with it in the cloth has been chemically eaten away; and (5) "flocks," the nap clipped from woolen cloth. These

tremendous supplies of raw material have been barred, some of them, such as shoddy, with a philanthropic interest in the country by the worsted interest in a way to bring tears to the eyes of a convention of undertakers.

Schedule K, favoring everywhere the worsted interest, has been heaviest in its burden on those who could not buy high-priced cloths.

Note these statements; they reveal much:

(1) On the cheapest grade of cloth, \$2,111 worth was imported in 1910. It paid a duty, an actual and computed ad valorem duty, of 144 per cent. The actual unit of value of this class of cloth imported was 35 cents a pound.

(2) On the next grade of cloth above the cheapest, \$274,246 worth was imported in 1910. It paid an actual and computed ad valorem duty of 123 per cent. The actual unit of value of this class of cloth imported was 59 cents per pound.

(3) On the third grade of cloth, the highest of the three, \$5,827,776 worth was imported in 1910. It paid an actual and computed ad valorem duty of 96 per cent. The actual unit of value of this class of cloth imported was \$1.07 per pound.

The man of modest means who felt he could not purchase the higher grade of clothes has paid and paid and paid his pound of flesh. On the kind of goods he was compelled to buy the duty has been prohibitive. He has been the victim above all the rest.

As showing what has been going on in the worsted world in the value or price of particular cloths as compared with woolens, I want to give for the years 1905 and 1900 a comparison between the value per square yard of certain woolens and afterwards the value per square yard of certain worsteds. I ask that particular note be made of the tremendous jump in value in the worsteds.

Let us examine the woolen item first:

Woolen items.	1905	1900
	Cents.	Cents.
Wool cloths, doeskins, cassimeres, tweeds, indigo flannels, broadcloths, for men's wear, per square yard.....	69.6	66.2
Wool dress goods, sackings, tricots, lady's cloth, broadcloth, for women's wear, per square yard.....	40.6	38.6

Now, contrast the above increases with those in worsteds for the same period:

Worsted items.	1905	1900
	Cents.	Cents.
Worsted coatings, serges, and suitings, for men's wear, per square yard.....	95.2	79.6
Worsted dress goods, cashmeres, serges, and other worsted goods, for women's wear, per square yard.....	41.9	28.3

One may be helped to an understanding of this great increase in the value of worsteds when it is shown that on March 29, 1899, the American Woolen Co. took out its charter in New Jersey.

So far as the wage scale in the industry is concerned, the worsted branch has taken care of itself. Note in the contrasted figures below the larger proportion of women and children in the worsted branch, and the further fact that the average wage of the women in worsted establishments is \$323 per annum as against \$333 in the woolen branch in 1905:

Wage earners in worsted branch.....	69,251
Total wages in worsted branch.....	\$26,269,787
Men, 16 years and over.....	29,883
Wages of men.....	\$14,493,965
Women, 16 years and over.....	32,130
Wages of women.....	\$10,379,154
Children under 16 years.....	7,288
Wages of children.....	\$1,396,668

This should be compared with the same items in the woolen branch in 1905:

Wage earners in woolen branch.....	72,747
Total wages in woolen branch.....	\$28,827,556
Men, 16 years and over.....	44,452
Wages of men.....	\$19,850,052
Women, 16 years and over.....	24,552
Wages of women.....	\$8,184,449
Children under 16 years.....	3,743
Wages of children.....	\$793,055

I hold no brief for the woolen branch. But I recognize in it a victim worthy of some sympathy. It is an industry made up of many mills, scattered about the country. The worsted branch is close-knit and compact. Its whole weight goes into every blow it strikes.

Why let it drive its hard bargain longer with the American consumer? There is much and frequent expression of regard

here for the average citizen. Why not take action in his behalf commensurate with our expressed esteem for him?

I think the change from the specific to the ad valorem in this bill is well. I believe that the elimination of the old four-to-one shrinkage duty is a matter of congratulation. But why stop there? The 40 per cent and the 45 per cent duty on worsteds are wrong. True, they are lower than the old duties. But why take only part of the burden off the back of the consumer? Why not take off all of it?

During the campaign in 1908 Mr. Bryan was quoted as saying that the first thing he would do if elected President would be to use all the powers of the Government to break up the American Woolen Co.'s monopoly. If this was his purpose, it was a worthy one. Mr. Bryan was not elected President, but those of his party, if not his faction, have now the majority in this House. That majority is about to write a tariff affecting the interests of that monopoly. Is it, in this hour of fulfillment of the Democratic pledge—a pledge to put trust-controlled products on the free list—is it to draw about the coarse and brutal form of that monopoly the magic circle of a protective duty? Is it to turn to one of the worst of all industrial vampires—a vampire that feeds not only upon the substance but sometimes the health of those who labor out of doors, a vampire that visits as inevitably as death every home in the Nation—is the Democratic majority to turn to the Worsteds Trust and, voting down all amendments by direction of the caucus, give that trust license again to prey upon the people, again to sink its blood-sucking beak into the American consumer? [Applause.]

Mr. UNDERWOOD. Does the gentleman from New York desire to consume any further time to-night?

Mr. PAYNE. I desire to go no further to-night.

Mr. UNDERWOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee determined to rise; and the Speaker having resumed the chair, Mr. RUSSELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 11019) to reduce the duties on wool and manufactures of wool and had come to no resolution thereon.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 897. An act for the relief of Alfred L. Dutton; to the Committee on Military Affairs.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 49 minutes p. m.) the House adjourned until to-morrow, Friday, June 9, 1911, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting copy of a communication from the Commissioners of the District of Columbia submitting draft of joint resolution amending appropriation act for the District of Columbia for current fiscal year in regard to contagious diseases (H. Doc. No. 67), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 7447) granting an increase of pension to William J. Walsh; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 10660) granting an increase of pension to Roy Goddard; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LITTLETON: A bill (H. R. 11370) to create a Tariff Board; to the Committee on Ways and Means.

By Mr. LEWIS: A bill (H. R. 11371) providing for the condemnation and purchase of the franchises, etc., of the express

companies of the United States and the establishment of postal express; to the Committee on the Post Office and Post Roads.

By Mr. WILSON of Pennsylvania: A bill (H. R. 11372) to abolish the involuntary servitude imposed upon seamen in the merchant marine of the United States while in foreign ports and the involuntary servitude imposed upon the seamen of the merchant marine of foreign countries while in ports of the United States, to prevent unskilled manning of American vessels, to encourage the training of boys in the American merchant marine, for the further protection of life at sea, and to amend the laws relative to seamen; to the Committee on the Merchant Marine and Fisheries.

By Mr. WARBURTON: A bill (H. R. 11373) authorizing the lease of school lands for public-park purposes by the State of Washington for a longer period than five years; to the Committee on the Public Lands.

Also, a bill (H. R. 11374) granting increase of pensions to survivors of the Indian wars under the acts of July 27, 1892, and June 27, 1902; to the Committee on Pensions.

By Mr. SABATH: A bill (H. R. 11375) to increase the revenues of the Post Office Department and to forbid contracts by the Treasury Department with express companies; to the Committee on Ways and Means.

By Mr. RUCKER of Colorado: A bill (H. R. 11376) to provide for an appropriation of \$10,000 for the erection of a monument at Fort Morgan, Colo.; to the Committee on Appropriations.

By Mr. TAYLOR of Colorado: A bill (H. R. 11377) granting to the State of Colorado 1,000,000 acres of public land within the State for expenses incurred in suppressing Indian disturbances from 1865 to 1888, including the Ute War of 1887; to the Committee on the Public Lands.

Also, a bill (H. R. 11378) authorizing States and Territories to select lands in lieu of lands included within forest reserves; to the Committee on the Public Lands.

Also, a bill (H. R. 11379) for the construction of a national road from Grand Junction, Colo., to and through the Colorado National Monument; to the Committee on Appropriations.

By Mr. THAYER: A bill (H. R. 11380) to prevent restrictions or discriminations in the sale, lease, or license of tools, implements, appliances, or machinery covered by interstate commerce; to the Committee on the Judiciary.

Also, a bill (H. R. 11381) to prevent restrictions or discriminations in the sale, lease, or license of tools, implements, appliances, or machinery covered by the United States patent laws; to the Committee on the Judiciary.

By Mr. BERGER: A bill (H. R. 11382) to provide an automobile for the official use of the Committee on the District of Columbia; to the Committee on Accounts.

By Mr. COX of Indiana: A bill (H. R. 11383) to amend section 1329 of the Revised Statutes of the United States, found in chapter 4, under the title "The Military Academy"; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER: A bill (H. R. 11384) granting an increase of pension to William Bayne; to the Committee on Invalid Pensions.

By Mr. ANDERSON of Ohio: A bill (H. R. 11385) granting an increase of pension to John B. Forgeron; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11386) granting an increase of pension to Philip Johnson; to the Committee on Invalid Pensions.

By Mr. BARTHOLDT: A bill (H. R. 11387) to perfect the title to the land belonging to the M. Forster Real Estate Co., of St. Louis, Mo.; to the Committee on the Public Lands.

By Mr. CAMPBELL: A bill (H. R. 11388) granting a pension to Hannah E. Minard; to the Committee on Invalid Pensions.

By Mr. CARY: A bill (H. R. 11389) for the relief of Randall G. Butler; to the Committee on Military Affairs.

Also, a bill (H. R. 11390) granting an increase of pension to Frederick Webber; to the Committee on Invalid Pensions.

By Mr. CULLOP: A bill (H. R. 11391) granting a pension to George W. Cloin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11392) granting an increase of pension to Emma J. Turner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11393) granting an increase of pension to Martin V. R. Smith; to the Committee on Invalid Pensions.

By Mr. DAUGHERTY: A bill (H. R. 11394) granting a pension to Isaac A. West; to the Committee on Pensions.

By Mr. DICKINSON: A bill (H. R. 11395) granting an increase of pension to William F. Rosser; to the Committee on Invalid Pensions.

By Mr. FAIRCHILD: A bill (H. R. 11396) granting an increase of pension to John Gray; to the Committee on Invalid Pensions.

By Mr. FLOOD of Virginia: A bill (H. R. 11397) authorizing the appointment of Maj. George A. Armes, United States Army, retired, to the rank and grade of major general on the retired list of the Army; to the Committee on Military Affairs.

By Mr. FOCHT: A bill (H. R. 11398) for the relief of Jacob H. Stone; to the Committee on Military Affairs.

By Mr. KINKEAD of New Jersey: A bill (H. R. 11399) for the relief of Leo Metze; to the Committee on Military Affairs.

By Mr. O'SHAUNESSY: A bill (H. R. 11400) granting a pension to Christina Reichardt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11401) granting an increase of pension to Amanda T. Griffin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11402) granting an increase of pension to Olive W. Steere; to the Committee on Invalid Pensions.

By Mr. RUCKER of Colorado: A bill (H. R. 11403) granting an increase of pension to Samuel E. Johnson; to the Committee on Invalid Pensions.

By Mr. SELLS: A bill (H. R. 11404) for the relief of Margaret Maloney; to the Committee on Claims.

By Mr. SMITH of Texas: A bill (H. R. 11405) granting a pension to J. J. Eubank; to the Committee on Pensions.

By Mr. STONE: A bill (H. R. 11406) granting a pension to Lorenzo D. Benner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11407) granting an increase of pension to W. T. Bell; to the Committee on Invalid Pensions.

By Mr. WARBURTON: A bill (H. R. 11408) granting an increase of pension to William Brown; to the Committee on Invalid Pensions.

By Mr. WHITACRE: A bill (H. R. 11409) granting an increase of pension to Isora McMurray; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11410) granting a pension to Hazel Urig; to the Committee on Pensions.

Also, a bill (H. R. 11411) granting an increase of pension to Christopher Bright; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ALEXANDER: Papers to accompany a bill granting a pension to William Boyne; to the Committee on Invalid Pensions.

By Mr. ALLEN: Resolutions of Cincinnati (Ohio) Local Union, No. 26, United Shoe Workers of America, requesting a congressional investigation as to a violation of the constitutional rights of John J. McNamara in the matter of his arrest and extradition; to the Committee on the Judiciary.

By Mr. ANSBERRY: Petition of Graves & Doering, of Antwerp, Ohio, against the establishment of a local rural parcels-post service; to the Committee on the Post Office and Post Roads.

Also, resolution of the Workmen's Sick and Death Benefit Fund of the United States of America, condemning the practices employed in the arrest of the McNamaras and approving the Berger resolution; to the Committee on Rules.

By Mr. ASHBROOK: Petition of Schambra Drug Co., J. W. White Co., A. McWilliams, G. W. Finney, W. C. Blair, and George S. McCaw, druggists of Uhrichsville and Dennison, Ohio, protesting against the passage of House bill 8887, a bill putting a tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. ESCH: Resolution of the Workmen's Sick and Death Benefit Fund of the United States of America, condemning the manner of the arrest of the McNamaras and indorsing the Berger resolution; to the Committee on Rules.

Also, memorial of National Lumber Manufacturers' Association, bringing to the attention of Congress for its consideration certain matters; to the Committee on Rules.

Also, memorial from Mrs. James Bennett, petitioning Congress to protect women equally with men when voting for Members of the United States Senate, after the proposed amendment to the Federal Constitution is adopted; to the Committee on Election of President, Vice President, etc.

Also, petition of sundry citizens of Melrose, Wis., opposing Canadian reciprocity; to the Committee on Ways and Means.

By Mr. FORNES: Petition of A. Jaeckel & Co., of New York City, urging amendment to the Federal corporation tax law so that it will permit corporations of the country to report for their individual fiscal periods instead of having an arbitrary date, as December 31, as the law now stands; to the Committee on the Judiciary.

Also, resolution of the Cleveland Chamber of Commerce, urging amendment of the corporation-tax law so as to enable corporations to make their returns as of the close of their fiscal year; to the Committee on the Judiciary.

By Mr. GRIEST: Petition of L. H. Gochnauer, of East Petersburg, Pa., asking for a reduction in the duty on raw and refined sugars; to the Committee on Ways and Means.

By Mr. HUGHES of New Jersey: Resolutions of Philip Sheridan Club and Arion Singing Society, of Passaic, N. J., protesting against the adoption of the proposed arbitration treaty with Great Britain; to the Committee on Foreign Affairs.

Also, resolutions of the Workmen's Sick and Death Benefit Fund of the United States of America, condemning the manner of the arrest of the McNamaras, and indorsing the resolution introduced by Mr. BERGER; to the Committee on Rules.

By Mr. HUMPHREY of Washington: Petitions of sundry citizens of Washington, favoring reduction of duty on sugar; to the Committee on Ways and Means.

By Mr. KORBLY: Petition of Indianapolis Brush & Broom Manufacturing Co., protesting against Canadian reciprocity; to the Committee on Ways and Means.

Also, resolutions by Machinist Lodge, Local No. 161, of Indianapolis, Ind., favoring immigration restrictions; to the Committee on Immigration and Naturalization.

Also, resolutions of John F. Godfrey Post, No. 93, Grand Army of the Republic, of Pasadena, Cal., favoring Sulloway pension bill; to the Committee on Invalid Pensions.

Also, resolutions of the Chamber of Commerce and Manufacturing Club of Buffalo, N. Y., protesting against the reciprocity bill; to the Committee on Ways and Means.

Also, resolutions of Niagara Falls Local No. 51, International Brotherhood of Paper Makers, of Niagara Falls, N. Y., protesting against the reciprocity bill; to the Committee on Ways and Means.

Also, resolution of Central Labor Union of Indianapolis, Ind., protesting against increase of postage rates; to the Committee on the Post Office and Post Roads.

Also, resolution of Eureka Lodge, No. 14, Brotherhood of Locomotive Firemen and Enginemen, for investigation of abduction of John J. McNamara; to the Committee on Labor.

Also, resolutions of Joseph R. Gordon Post, Grand Army of the Republic, of Indianapolis, Ind., protesting against special pension act for Mrs. Stubbs; to the Committee on Pensions.

Also, resolutions of Major Robert Anderson Post, Grand Army of the Republic, protesting against special pension bills; to the Committee on Pensions.

Also, petition of Columbia Grocery Co., favoring reduction in sugar; to the Committee on Ways and Means.

Also, resolutions of the Central Trades Council of Marion, Ind., requesting congressional investigation into kidnaping of John J. McNamara; to the Committee on Labor.

Also, resolutions of Camp John S. Stewart, No. 1, Army of the Philippines, favoring proposed bill of Senator JONES for payment to Volunteer organizations of travel pay and allowances; to the Committee on Military Affairs.

Also, petitions of H. A. Becker, William P. Hapgood, and Indianapolis Fancy Grocery Co., of Indianapolis, Ind., favoring reduction of duty on sugar; to the Committee on Ways and Means.

Also, resolutions of Groups 2 and 5, Indiana Bankers' Association, indorsing Aldrich plan for banking and currency reform as amended by the currency commission of the American Bankers' Association; to the Committee on Banking and Currency.

By Mr. LAFEAN: Petition of G. W. Witter, of New Oxford, Pa., in favor of reduction of duty on sugar; to the Committee on Ways and Means.

By Mr. LAWRENCE: Petitions of sundry citizens of Massachusetts, favoring reduction of duty on sugar; to the Committee on Ways and Means.

By Mr. LOUD: Petition of Rev. Robert Strong and members of Seventh-day Adventist Church of Omer, Mich., protesting against passage of Senate bill 237; to the Committee on the District of Columbia.

Also, petition of Henry Mosher and 50 other members of Pinconning Grange, No. 1035, Pinconning, Mich., protesting against Canadian reciprocity; to the Committee on Ways and Means.

By Mr. McDERMOTT: Joint resolution of the Illinois Legislature making application to the Congress of the United States for the calling of a convention for the purpose of proposing an amendment to the Constitution of the United States granting the Congress of the United States the power to prevent and suppress monopolies throughout the United States by appropriate legislation; to the Committee on the Judiciary.

By Mr. MCGILLICUDDY: Petition of R. W. Brown and others, favoring reduction in the tariff on sugar; to the Committee on Ways and Means.

By Mr. SABATH: Resolution of Illinois Manufacturers' Association, urging on Congress the imperative need for an amendment of the corporation-tax law whereby it shall be made permissible for corporations and companies to make returns as of the close of their fiscal year; to the Committee on the Judiciary.

Also, joint resolution of the Illinois Legislature, making application to the Congress of the United States for the calling of a convention for the purpose of proposing an amendment to the Constitution of the United States granting the Congress of the United States the power to prevent and suppress monopolies throughout the United States by appropriate legislation; to the Committee on the Judiciary.

Also, resolutions of the Third National Peace Congress, urging the adoption of an arbitration treaty with Great Britain; also other resolutions in the cause of peace; to the Committee on Foreign Affairs.

By Mr. SLOAN: Resolutions of the Socialist Party of Fairbury, Nebr., requesting congressional inquiry into the abduction of John J. McNamara; to the Committee on Labor.

By Mr. WOOD of New Jersey: Resolutions adopted by Local No. 140, International Union of Metal Polishers, Buffers, Platers, and Silver and Brass Workers of North America, of Trenton, N. J., urging immediate action by the House of Representatives on the resolution of investigation of the lawfulness of the acts of the arrest of John J. McNamara, introduced by Mr. BERGER; to the Committee on Rules.

Also, resolutions adopted by the First Congregational Society of Bernardville, N. J., urging the support by the House of Representatives of such treaties as may be submitted and all such measures as may be proposed for the promotion of international peace; to the Committee on Foreign Affairs.

Also, resolution adopted by the board of street and water commissioners and approved by the acting mayor of the city of Newark, N. J., re diversion of water from New Jersey to Staten Island, N. Y.; to the Committee on Rivers and Harbors.

HOUSE OF REPRESENTATIVES.

FRIDAY, June 9, 1911.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, we bless Thee for all the revelations Thou hast made of Thyself and for the hopes and promises of the future. Thou art an imminent God, ever working in and through Thy children. The last word has not been spoken, the last revelation has not been made. Make us, therefore, susceptible, that we may hear Thy voice, feel Thy presence, and go forward with unflinching footsteps to larger attainments for ourselves and for all the world, and Thine be the praise through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

WITHDRAWAL OF PAPERS.

Mr. KAHN, by unanimous consent, was given leave to withdraw from the files of the House papers in the case of Glasgow C. Davis, H. R. 10727, without leaving copies, no adverse report having been made thereon.

STEEL-TRUST INVESTIGATION.

Mr. STANLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution, which I send to the Clerk's desk.

The Clerk read as follows:

Resolved, That there shall be printed 10,000 extra copies of the testimony taken in each of the hearings before the special committee appointed under House resolution 148, to investigate violations of the antitrust act of 1890, and other acts.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I suggest to the gentleman from Kentucky that he let the resolution go over until later in the day. I have quite a strong and

fixed impression that it does not require action on the part of the House at all to accomplish this; that the matter has always been in the hands of the Committee on Printing; and that under the law the committee would have authority to order a thousand copies of hearings printed on its own order; and under the law, within the limit of \$200 at each time the hearing is printed, which would cover more than 10,000 copies, they can get that number printed by getting a certificate from the clerk of the Committee on Printing. That leaves it so that the gentleman can have such number printed as he desires. If he prints 5,000 copies to-day and runs short of the number necessary to meet the demand, he can order more printed to-morrow by getting an order from the Committee on Printing.

Mr. BARTLETT. May I interrupt the gentleman?

Mr. MANN. Certainly.

Mr. BARTLETT. Under Rule XLV the Joint Committee on Printing is limited to an amount not exceeding \$200 in printing any extra copies of hearings or documents.

Mr. MANN. Yes.

Mr. HENRY of Texas. What rule is that?

Mr. BARTLETT. That is the law.

Mr. MANN. I will say to the gentleman that the special committee on pulp and paper printed a good many thousand copies of different hearings. We would order at one time 2,500 copies, or 3,000 or 4,000 copies, and, as the demand came in later, we would get another order. Of course, we had to go to the Committee on Printing, but there never was any hesitation in granting the order, and we had some control over the matter.

Mr. BARTLETT. The Joint Committee on Printing.

Mr. MANN. The gentleman from Georgia [Mr. BARTLETT] says the Joint Committee on Printing. Of course, what we did was to go to the clerk of the House Committee on Printing, and he assented to it. I just suggest to the gentleman that he let the resolution go over for the present.

Mr. STANLEY. Mr. Speaker, I saw the gentleman from Illinois [Mr. MANN] the other day, and I was impressed with the procedure suggested by him. I went immediately to see the clerk of the Printing Committee, and he notified me that it would require a resolution. There is no objection to printing this hearing. It is just a matter of procedure; that is all. I want to say to the gentleman that the demand for these hearings is so great that it would take at least this number, I think, to fill it. Nearly every Member of the House wants from 1 to 20 copies. Ten of these copies to each Member of the House would practically consume half this amount. There are requests from magazines and newspapers, and so forth, and if I know how many hearings I have, whether 5,000 or 10,000 or 1,000, or any amount in excess of 1,000, I can go ahead and make arrangements to have the hearings distributed; but if you have to go to the Printing Committee each time, and there is no Printing Committee here, it takes up a world of time that we can put in in other ways. For two days I have been trotting between one employee of this House and another, each fellow with a different idea, and all saying, as provided in Rule XLV, secure a resolution, then everything will go smoothly. I hope the gentleman will not interpose any objection.

Mr. MANN. But the gentleman understands that naturally, and I have no criticism of that at all; most of the employees of the House now are inexperienced in matters of this kind and do not understand, but they have to learn sometime, and the gentleman from Kentucky is a very good instructor and might as well help us all to know what can be done.

Mr. HENRY of Texas. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. Certainly.

Mr. HENRY of Texas. Mr. Speaker, I desire to state that the gentleman is correct about the unusual demand for these hearings, and something ought to be done right away. As a member of the Committee on Rules, I know there is an extraordinary demand; and now in reply to what the gentleman from Illinois [Mr. MANN] says, that there is already authority for the printing of these extra copies, if that be true, the adoption of this simple resolution does not alter the law in any respect, but would merely be a cumulative act, and would hasten the printing of the extra copies without having to go through the routine of requests, and so forth, which he suggests. I hope he will not object to this resolution, but will allow it to go through to-day in order that we may supply the extraordinary demand.

Mr. MANN. Mr. Speaker, one time I took possession of some rooms over in the House Office Building which had been occupied by a special committee known as the Lilly investigation committee. I found in that room stacked up a great mass—tons, I should say—of hearings that had been ordered printed on the assumption that they would be used, which were still there, printed at great expense, and I ordered them thrown away or